

## **BILL ANALYSIS**

Senate Research Center  
83R20509 SGA-D

H.B. 738  
By: Crownover (Nelson)  
Natural Resources  
5/14/2013  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

When a municipal utility district is created outside the extraterritorial jurisdiction of a city, current law authorizes the commissioners court of the county in which the district is created to review the petition for creation of the district and requires the Texas Commission on Environmental Quality (TCEQ) to consider the input of the commissioners court under certain circumstances. Interested parties assert that because TCEQ is not required to consider the input of the commissioners court when a district is created within the extraterritorial jurisdiction of a city, counties are unfairly left out of the process even though the county will be affected by the creation of the district. H.B. 738 seeks to provide for county input by amending current law relating to the review of the creation of a municipal utility district by a county commissioners court.

H.B. 738 amends current law relating to the review of the creation of certain proposed municipal utility districts by county commissioners courts.

[**Note:** While the statutory reference in this bill is to the Texas Natural Resource Conservation Commission (TNRCC), the following amendments affect Texas Commission on Environmental Quality, as the successor agency to TNRCC.]

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 54.0161, Water Code, as follows:

Sec. 54.0161. REVIEW OF CREATION BY COUNTY. (a) Provides that this section applies only to a proposed district all of which is to be located outside the corporate limits of a municipality.

(a-1) Requires the Texas Natural Resource Conservation Commission (TNRCC), promptly after a petition is filed with TNRCC to create a district to which this section applies, to notify the commissioners court of any county in which the proposed district is to be located.

(a-2) Authorizes the commissioners court of a county in which the district is to be located, rather than authorizing the commissioners court of the county in which the district is to be located if all or part of a proposed district is to be located outside the extraterritorial jurisdiction of a city, to review the petition for creation and other evidence and information relating to the proposed district that the commissioners consider necessary. Requires petitioners for the creation of a district to submit to the county commissioners court any relevant information requested by the commissioners court, rather than by the commissioners court in the event a review is done.

(b) Requires the commissioners court, in the event the county commissioners court votes to submit information to the commission or to make a recommendation regarding the creation of the proposed district, to submit to TNRCC, at least 10 days before the date set for action on the petition, a written opinion stating:

(1) whether the commissioners court recommends the creation of the proposed district; and

(2) any findings, conclusions, and other information that the commissioners court thinks would assist TNRCC in making a final determination on the petition.

Deletes existing text requiring the commissioners court, in the event of a review, to submit to TNRCC, at least 10 days before the state set for the hearing of the petition, a written opinion stating whether or not the county would recommend the creation of the proposed district and stating any findings, conclusions, and other information that the commissioners think would assist TNRCC in making a final determination on the petition.

(c) Requires TNRCC, in passing on a petition subject to this section, rather than in passing on a petition under this subchapter, to consider the written opinion submitted by the county commissioners court.

SECTION 2. Provides that the changes in law made by the Act apply only to a petition for the creation of a municipal utility district that is filed with the Texas Commission on Environmental Quality (TCEQ) on or after the effective date of this Act. Provides that a petition pending before TCEQ on the effective date of this Act is governed by the law in effect at the time the petition was filed, and that law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2013.