

## **BILL ANALYSIS**

Senate Research Center  
85R22108 AAF-F

H.B. 4287  
By: Fallon (Estes)  
Administration  
5/22/2017  
Engrossed

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

Interested parties contend that the Smiley Road Water Control and Improvement District (district) requires additional flexibility in order to better serve the district's residents. H.B. 4287 provides this needed flexibility by authorizing the district to be divided into two or more districts, subject to certain requirements.

H.B. 4287 amends the Special District Local Laws Code to remove the prohibition against the district being divided into two or more districts and to instead authorize that district to be divided into two or more districts only if the district has no outstanding bonded debt and the district is not imposing property taxes, subject to certain additional requirements and voter approval at a confirmation election. The bill sets out provisions relating to the division of the district.

H.B. 4287 provides for the validation and confirmation in all respects of the creation of the district and of certain district acts and proceedings effective as of the date on which the act or proceeding occurred.

H.B. 4287 amends current law relating to the powers and duties of the Smiley Road Water Control and Improvement District.

### **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 9001.104, Special District Local Laws Code, as follows:

Sec. 9001.104. New heading: DIVISION OF DISTRICT. (a) Authorizes the Smiley Road Water Control and Improvement District (district) to be divided into two or more districts only if the district has no outstanding bonded debt and is not imposing ad valorem taxes.

(b) Provides that this chapter (Smiley Road Water Control and Improvement District) applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits a new district created by the division of the district from, at the time the new district is created, containing any land outside the area described by Section 9001.004 (Initial District Territory).

(d) Authorizes the board of directors of the district (board), on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Requires that an order dividing the district name each new district, include the metes and bounds of each new district, appoint temporary directors for each new

district, and provide for the division of assets and liabilities between the district and each new district.

(f) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) Authorizes a new district to be created by the division of the district only if approved by the voters of the new district in a confirmation and directors' election held for that purpose.

(h) Prohibits the district, if the district is located wholly or partly in the corporate limits or the extraterritorial jurisdiction of a municipality, from dividing under this section unless the municipality by resolution or ordinance consents to the division of the district.

(i) Requires that any new district created by the division of the district hold an election to obtain voter approval before the district is authorized to impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

Deletes existing text prohibiting the district from dividing into two or more districts in the manner specified by Section 51.748 (Division of Original District with No Outstanding Indebtedness) or 53.029 (Division of or Assumption of Authority by Certain Districts), Water Code.

SECTION 2. (a) Provides that the following are validated and confirmed in all respects:

(1) the creation of the district; and

(2) any act or proceeding of the district, including an election, not excepted by this section and taken not more than three years before the effective date of this Act, effective as of the date on which the act or proceeding occurred.

(b) Provides that this section does not apply to an act, proceeding, director, other official, bond, or other obligation the validity of which or of whom is the subject of litigation that is pending on the effective date of this Act or an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred.

SECTION 3. Effective date: upon passage or September 1, 2017.