

CHAPTER 668

S.B. No. 1272

An Act relating to the creation, administration, powers, duties, operations, and financing of regional districts for water supply, sanitary sewer, and wastewater drainage purposes under Article XVI, Section 59, of the Texas Constitution; adding Subchapter M to Chapter 50, Water Code.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 50, Water Code, is amended by adding Subchapter M to read as follows:

“SUBCHAPTER M. REGIONAL DISTRICTS

“Section 50.451. PURPOSE AND APPLICATION. (a) *The purpose of this subchapter is to authorize creation and operation of regional districts for water, sanitary sewer, and wastewater drainage purposes under Article XVI, Section 59, of the Texas Constitution.*

“(b) *This subchapter applies only in a county with a population of at least 2.2 million, according to the most recent federal census, or which borders a county with a population of at least 2.2 million, according to the most recent federal census.*

“Section 50.452. DEFINITIONS. (a) *In this subchapter:*

“(1) *‘District’ means a district created and operating under this subchapter.*

“(2) *‘Municipal district’ means a municipal utility district created under general law or special act operating under Chapter 54 of this code, a water control and improvement district operating under Chapter 51 of this code, or a freshwater supply district operating under Chapter 53 of this code that was created under general or special law.*

“(3) *‘Bond’ means bonds, coupons, notes, or any other evidence of indebtedness.*

“(b) *Other terms not defined by this subchapter have the same meaning assigned to those terms by Section 54.001 of this code.*

“Section 50.453. CREATION OF DISTRICT. (a) *A district may be created under procedures provided by this section.*

“(b) *The boards of two or more municipal districts may jointly petition the commission for creation of a district in the territory described in the petition. The municipal districts must present to the commission with the petition a petition from each petitioning district adopted by a majority of the directors of the district.*

“(c) *The owner or owners of 2,000 or more contiguous acres may petition the commission for creation of a district.*

“(d) *The commissioners courts of one or more counties may petition the commission for creation of a district in any territory within the county.*

“(e) *The governing body of any city may petition the commission for creation of a district in any territory within the city or its extraterritorial jurisdiction.*

“Section 50.454. PURPOSES OF DISTRICT. *A district shall be created:*

“(1) *to purchase, own, hold, lease, and otherwise acquire sources of water supply;*

“(2) *to build, operate, and maintain facilities for the transportation of water;*

“(3) *to sell water to cities and political subdivisions of this state, to private business entities, and to individuals;*

“(4) *to purchase, own, hold, lease, and otherwise acquire equipment and mechanisms necessary for sanitary sewer and wastewater treatment;*

“(5) *to build, operate, and maintain facilities for sanitary sewer and wastewater treatment;*

“(6) *to transport and treat sanitary sewer and wastewater effluent of cities and political subdivisions of this state, and for private business entities or individuals;*

“(7) *to purchase, own, hold, lease, and otherwise acquire equipment and mechanisms for the drainage of stormwater and floodwater; and*

“(8) *for the purposes outlined in Section 54.012 of this code.*

“Section 50.455. COMPOSITION OF DISTRICT. *Section 54.013 of this code applies to the composition of districts created under this subchapter.*

“Section 50.456. PETITION. (a) *To create a district, a petition of any of the persons or entities described in Section 50.453 of this code requesting creation must be filed with the commission.*

“(b) *The petition must:*

“(1) describe the boundaries of the proposed district by metes and bounds that adequately and completely circumscribe the property so that there is complete closure of the property or by lot and block numbers if there is a recorded map or plat or subdivision survey of the area;

“(2) state the general nature of the work proposed to be done, the necessity of the work, and the cost of any projects of the district as estimated by those filing the petition;

“(3) state the name of each petitioner; and

“(4) include a name of the district that is generally descriptive of the locale of the district followed by the words ‘Regional District,’ or if a district is located in one county it shall be designated ‘_____ County Regional District No. _____’ (Insert the name of the county and proper consecutive number for the district).

“(c) A proposed district may not have the same name as any other district located in the state.

“Section 50.457. **CONSENT OF CITY.** (a) Land in the corporate limits of a city or in the extraterritorial jurisdiction of a city may not be included in a district unless the city grants its written consent by resolution or ordinance to the inclusion of the land in the district.

“(b) If the governing body of a city fails or refuses to grant permission for the inclusion of land in its extraterritorial jurisdiction in a district within 120 days after receipt of a written request, the person or entity desiring to create the district may petition the governing body of the city requesting the city to make available the water, sewer, or drainage service contemplated to be provided by the district.

“(c) Failure of the governing body of the city and the requesting district to execute a mutually agreeable contract providing for the service requested within six months after receipt of a request for consent constitutes authorization for the inclusion of land in the district under this section. Authorization for the inclusion of the land in the district under this section means only authorization to initiate proceedings to include the land in the district as otherwise provided by this subchapter.

“(d) Subsections (e), (f), (g), and (h) of Section 54.016 of this code apply under this subchapter.

“Section 50.458. **GRANTING OR REFUSING PETITION.** (a) If after the hearing of the petition the commission finds that the petition conforms to the requirements of this subchapter and that the creation of the district would be of benefit to the territory to be included in the district, the commission shall issue an order granting the petition for creation.

“(b) If the commission finds that the petition does not conform to the requirements of this subchapter or that the proposed projects are not of benefit to the territory in the proposed district, the commission shall issue an order denying the petition or allowing the petitioners to amend their petition and resubmit it.

“(c) A copy of the order of the commission granting or denying a petition shall be mailed to each city having extraterritorial jurisdiction in the county or counties in which the district is to be located that has requested notice of hearings as provided by Section 54.019 of this code.

“Section 50.459. **DIRECTORS.** (a) The commission shall appoint five directors who shall serve for staggered terms of six years.

“(b) Of the initial appointments, one director shall serve two years, two directors shall serve four years, and two directors shall serve six years. The commission shall designate the terms of the initial directors.

“Section 50.460. **QUALIFICATIONS FOR DIRECTORS.** To be qualified to serve as a director, a person must be:

“(1) at least 18 years old; and

“(2) a resident of this state.

“Section 50.461. **VACANCIES ON BOARD.** A vacancy in the office of director shall be filled by appointment of the commission for the unexpired term.

“Section 50.462. **ORGANIZATION OF BOARD.** After the directors have been appointed and have qualified, the board shall organize by electing a president, a vice-president, a secretary, and any other officers as in the judgment of the board are considered necessary.

“Section 50.463. **DISTRICT OFFICE AND MEETING PLACE.** (a) The board shall establish a district office and meeting place in the district and may also establish a meeting place outside the district. A meeting place may be a private residence or office provided the board in its order establishing the meeting place declares the meeting place to be a public place and invites the public to attend any meeting of the board.

“(b) If the board establishes a meeting place outside the district, it shall give notice of its location by filing a copy of the resolution establishing the location of the district office with the commission and also by publishing notice of the location in a newspaper with general circulation in the county or counties in which the district is located. If the location of the meeting place outside the district is changed, notice of the change shall be given in the same manner.

"Section 50.464. BOND AND OATH OF OFFICE. (a) *As soon as practicable after a director is appointed, he shall execute a bond for \$10,000 payable to the district and conditioned on the faithful performance of his duties.*

"(b) All bonds of the director shall be approved by the board.

"(c) Each director shall take the oath of office prescribed by the constitution for public officers.

"(d) The bond and oath shall be filed with the district and retained in its records.

"Section 50.465. EFFECT OF RULES. *After the required publication, rules adopted by the district under Section 54.205 of this code shall be recognized by the courts as if they were penal ordinances of a city.*

"Section 50.466. ISSUANCE OF BONDS. *The district may issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending any district works, improvements, facilities, plants, equipment, and appliances needed to accomplish the purposes provided by Section 50.454 of this code for which a district is created, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, solid waste disposal system, and parks and recreational facilities. Prior to issuing bonds or other obligations, a confirmation election must be held in accordance with Sections 54.026 through 54.029, Water Code, and a majority of voters must approve the establishment of the district.*

"Section 50.467. ADDING AND EXCLUDING TERRITORY; CONSOLIDATING AND DISSOLVING DISTRICTS. (a) *Before the board calls an election for the authorization of bonds payable in whole or in part from taxes, the board may on its own motion call a hearing on the question of the exclusion of land from the district as provided by Sections 54.702 through 54.707 of this code, if the exclusions are practicable, just, or desirable.*

"(b) The board must call a hearing on the exclusion of land or other property from the district on the written petition of any landowner or property owner in the district filed with the secretary of the board before the first election is called on the question of the issuance of bonds payable in whole or in part from taxes.

"Section 50.468. HEARING TO ANNOUNCE PROPOSED EXCLUSIONS AND TO RECEIVE PETITIONS. *If the board determines that an exclusion hearing should be held or if a written petition requesting an exclusion hearing is filed with the secretary of the board as provided by Section 50.467 of this code, the board shall give notice of the time and place of the hearing to announce its own conclusions relating to land or the property to be excluded and to receive petitions for exclusion of land or other property.*

"Section 50.469. ORDER EXCLUDING LAND. (a) *After considering all engineering data and other evidence presented to it, the board shall make its determination based on Subdivision (1) or (2) of Section 54.705 of this code or, if appropriate, on Subsection (3) of Section 54.705 of this code.*

"(b) If the board determines that the land should be excluded, the board shall enter an order excluding the land and shall redefine the boundaries of the district to include land not excluded.

"(c) A copy of the order excluding land and redefining the boundaries of the district shall be filed in the deed records of the county or counties in which the district is located.

"Section 50.470. APPEAL. *A person may appeal from the judgment or order of a district court and a suit brought under Sections 54.708 and 54.709 of this code to a court of appeals and the supreme court as in other civil cases in which the district court has original jurisdiction. This appeal is subject to the statutes and rules of practice and procedure in civil cases.*

"Section 50.471. ADDING LAND BY PETITION OF LESS THAN ALL LANDOWNERS. *In addition to the method of adding land to a district described in Section 50.472 of this code, defined areas of land, regardless of whether they are contiguous to the district, may be annexed to the district in the manner provided by this code and Sections 54.718 through 54.724 of this code.*

"Section 50.472. FILING OF PETITION. *A petition requesting the annexation of a defined area signed by a majority in value of the owners of land in the defined area, as shown by the tax rolls of the county or counties in which that area is located, signed by 50 landowners if the number of landowners is more than 50, signed by the single landowner of 2,000 or more acres of land in the area, or signed by a majority of the governing body of a municipal district, a county, or a city requesting annexation, shall be filed with the secretary of the board.*

"Section 50.473. SUIT TO REVIEW ANNEXATION. *Sections 50.470, 54.708, and 54.709 of this code apply to review of an order annexing land to the district.*

"Section 50.474. DISSOLUTION OF DISTRICT BEFORE ISSUANCE OF BONDS. (a) *If the board considers it advisable before the issuance of any bonds, the board may dissolve the district and liquidate the affairs of the district as provided by Sections 54.734 through 54.738 of this code.*

“(b) If a majority of the board finds at any time before the authorization of bonds that the proposed district and its proposed activities are for any reason impracticable or apparently cannot be successfully and beneficially accomplished, the board may issue notice of a hearing on a proposal to dissolve the district.

“Section 50.475. JUDICIAL REVIEW OF BOARD’S ORDER. The board’s order to dissolve the district may be judicially reviewed as provided by Sections 50.473, 54.708, and 54.709 of this code.

“Section 50.476. OTHER LAWS. Except as specifically provided by this subchapter, Sections 54.017 through 54.020, 54.023, 54.024, 54.107, 54.111 through 54.115, 54.117 through 54.126, 54.201 through 54.205, 54.207 through 54.233, 54.301 through 54.312, 54.502 through 54.5121, 54.513 through 54.521, 54.601 through 54.604, 54.703 through 54.706, 54.708, 54.709, 54.712 through 54.715, 54.718 through 54.724, 54.726, 54.727, and 54.735 through 54.737 of this code apply under this subchapter.”

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on April 22, 1985, by the following vote: Yeas 28, Nays 0; Senate concurred in House amendments on May 16, 1985, by a viva-voce vote; passed the House, with amendments, on May 15, 1985, by a non-record vote.

Approved: June 14, 1985

Effective: August 26, 1985