

CHAPTER 1025

H.B. No. 2555

AN ACT

relating to the exclusion of land from municipal utility districts before the issuance of district bonds.

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

SECTION 1. Section 54.701, Water Code, is amended to read as follows:

Sec. 54.701. EXCLUDING LAND FROM DISTRICT. (a) Before the board *issues the first series of district* [~~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 under the provisions of Sections 54.702-54.707 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 district issues its first series* [~~the time the first~~]

~~election on the question of the issuance]~~ of bonds payable in whole or in part from taxes ~~[is called]~~.

*(c) A district that has previously held an election at which approval was given for the issuance of bonds payable in whole or in part from taxes may not rely on that election for the issuance of the bonds if after the bond election, but before the bonds are issued, land is excluded from the district as provided by this chapter. The board must call and hold another bond election and receive voter approval as provided by this chapter before issuing those bonds.*

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 by the House on May 8, 1987, by the following vote: Yeas 134, Nays 0, 1 present, not voting. Passed by the Senate on May 23, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 20, 1987.

Effective June 20, 1987.