

SUBJECT: Allowing dissolution of Bois D'Arc Island Levee Improvement District

COMMITTEE: Special Purpose Districts — favorable, without amendment

VOTE: 7 ayes — Murphy, Perez, Bell, Cortez, Cospers, Lang, Schubert

0 nays

WITNESSES: For — Charles Reed, Dallas County Commissioners Court; (*Registered, but did not testify*: Craig Pardue, Dallas County)

Against — None

BACKGROUND: The Bois D'Arc Island Levee Improvement District (LID) was created in 1918 by Dallas and Kaufman counties. The district was codified in 2003 through the enactment of HB 3508 by Marchant by the 78th Legislature.

Under Water Code, ch. 57, levee improvement districts are organized for the purpose of reclaiming lands through a system of levees and drainage. Special District Local Laws Code, ch. 7801 stipulates that the Bois D'Arc district be governed by a board of five directors, elected on the first Saturday in May of each even-numbered year. The board may appoint a tax assessor-collector or contract with Dallas or Kaufman County to impose taxes.

DIGEST: HB 1709 would establish procedures for the commissioners courts of Dallas County and Kaufman County to dissolve the Bois D'Arc Island Levee Improvement District within 18 months of the next election of directors. The bill would allow the counties to dissolve the district if the appropriate number of directors were not elected or the elected directors failed to attend half of the board meetings within a year of the election.

To dissolve the district, the Dallas and Kaufman counties commissioners courts would have to issue an order providing for:

- the sale or transfer of the district's assets and liabilities;

- the administration of property, assets, and debts until all money was disposed of and debts were settled; and
- the continued provision of services without interruption to the extent the district was providing them.

The dissolution of the district and sale or transfer of assets and liabilities could not violate a trust indenture or bond resolution or impair the rights of the holders of outstanding bonds, warrants, or other obligations.

The bill would take effect September 1, 2017.

**SUPPORTERS  
SAY:**

HB 1709 would allow Dallas and Kaufman counties to dissolve the defunct Bois D'Arc Island Levee Improvement District (LID). Since the district's codification in 2003, the board of directors has never had any members and nobody has petitioned for an open position. Because only six voters would be eligible for the board, it is unlikely that a board would be elected.

The Texas Commission on Environmental Quality (TCEQ) currently is pursuing actions against LIDs in Kaufman County with nonfunctioning boards. This bill would dissolve the noncompliant district to avoid possible TCEQ enforcement actions and avoid potential fines.

Kaufman County currently holds \$7,000 in taxes collected from the district prior to its codification. This bill would provide for the transfer of those assets either back to the original taxpayers or to the General Revenue Fund. The Bois D'Arc Island LID holds no other assets, bonds, or liabilities.

This bill is a good opportunity to reduce the size of the government by allowing the counties to dissolve a district that does not provide any services. Ideally, the LID would operate and function as intended, but instead, the defunct district may be an impediment to property owners who want to improve or develop the land under its jurisdiction.

**OPPONENTS**

No apparent opposition.

SAY: