

BILL ANALYSIS

Senate Research Center
77R6686 SGA-F

S.B. 1207
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Natural Resources
4/7/2001
As Filed

DIGEST AND PURPOSE

The Acton Municipal Utility District (Acton MUD), composed of land in Hood and Johnson counties, was created by petition to the Texas Water Commission (now the Texas Natural Resource Conservation Commission) in 1982. As Acton MUD has grown, it has followed the annexation provisions set out in the Texas Water Code which does not require the MUD to obtain the consent of lienholders of real property in the area to be annexed prior to annexation. However, the attorney general does require the MUD to have obtained lienholder consent to an annexation before a request by the MUD to issue unlimited tax bonds will be approved. The attorney general waived this requirement when Acton MUD issued revenue bonds in 1998. However, the attorney general warned Acton MUD that the legislature must validate its past annexation before the attorney general would approve the issuance of any further unlimited tax bonds. Acton MUD now has a policy in place requiring lienholder consent before an annexation can occur. This policy will prevent a situation similar to the one currently faced by the MUD from recurring in the future. Due to rapid growth in Acton MUD's service area, a bond election is needed this fall to seek approval from the residents of the district for the MUD to issue unlimited bonds. As proposed, S.B. 1207, validates previous annexations by Acton MUD.

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. DEFINITION. Defines "district" to mean the Acton Municipal Utility District.

SECTION 2. VALIDATION. Provides that certain actions and annexations of the district are validated and confirmed as if the actions and annexations had been done as authorized by law.

SECTION 3. VALIDATION OF BOUNDARIES. Sets forth the boundaries of the district that are validated as the legal boundaries of the district.

SECTION 4. FINDINGS RELATED TO BOUNDARIES. Sets forth legislative findings related to the boundaries of the district.

SECTION 5. EFFECT ON LITIGATION. Provides that this Act does not apply to any matter that, on the effective date of this Act, is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court or has been held invalid by a final judgment of a court.

SECTION 6. Effective date: upon passage or September 1, 2001.