

## **BILL ANALYSIS**

Senate Research Center  
82R4382 SGA-D

S.B. 437  
By: Nelson  
Intergovernmental Relations  
4/1/2011  
As Filed

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

This bill requires voters in an election to establish a municipal utility district (MUD) and/or to issue bonds for that district to have lived in the district for the year prior to the election. Currently, a MUD may be established by a single voter who may also approve millions of dollars worth of bonds with no regard to the voter's ties to the community. This bill restores the integrity of MUD elections to assure that they are established for their intended purpose.

As proposed, S.B. 437 amends current law relating to residency requirements for voting in certain municipal utility district elections.

### **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 Subchapter B, Chapter 54, Water Code, by adding Section 54.026, as follows:

Sec. 54.026. ELIGIBILITY TO VOTE IN CONFIRMATION ELECTION. Requires a person, in order to be eligible to vote in an election to confirm the creation of a district, to reside in the district for at least one year immediately preceding the date of the election.

SECTION 2. Amends Subchapter F, Chapter 54, Water Code, by adding Section 54.506, as follows:

Sec. 54.506. ELIGIBILITY TO VOTE IN CERTAIN BOND ELECTIONS. Requires a person, in order to be eligible to vote in an election authorizing a district's first issuance of bonds payable wholly or partly from ad valorem taxes, to reside in the district for at least one year immediately preceding the date of the election.

SECTION 3. (a) Makes application of Section 54.026, Water Code, as added by this Act, prospective.

(b) Makes application of Section 54.506, Water Code, as added by this Act, prospective.

SECTION 4. Effective date: upon passage or September 1, 2011.