

**SENATE COMMITTEE ON  
INTERGOVERNMENTAL RELATIONS**



**INTERIM REPORT TO THE  
82ND TEXAS LEGISLATURE**

**DECEMBER 2010**

# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS



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*Chairman*

SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO GALLEGOS  
SENATOR DAN PATRICK  
SENATOR JEFF WENTWORTH

December 1, 2010


Honorable David Dewhurst  
Lieutenant Governor  
State of Texas  
Room 2E.13, State Capitol  
Austin, Texas


Dear Governor Dewhurst:

The Senate Committee on Intergovernmental Relations hereby submits its report to the 82nd Legislature. The recommendations made herein are based on testimony offered at our five interim hearings, and by input provided by the public, committee members, professional trade associations and other interest group representatives, state agencies and local governments.

The undersigned members of the committee believe this report contains recommendations which can be used by the legislature during its 82nd regular session to successfully address the issues raised by the charges before the committee this interim.


Respectfully Submitted,

  
Senator Royce West  
Chairman

  
Senator Robert Nichols  
Vice-Chairman

  
Senator Mario Gallegos

  
Senator Dan Patrick

  
Senator Jeff Wentworth

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**ROBERT L. NICHOLS**  
STATE SENATOR

November 23, 2010

The Honorable Royce West  
Senate Committee on Intergovernmental Relations  
P.O. Box 12068  
Austin, Texas 78711-2068

Dear Chairman West:

Thank you for your leadership of the Senate Committee on Intergovernmental Relations. Much progress was made during the interim of the 81st Legislature, and I commend you for having workgroups for each interim charge that included all interested stakeholders. I sign off on the interim report, but I would like to clarify my position on a few recommendations.

I suggest we move with caution on Recommendation 4.1. I think it is vitally important to have a clear title to a piece of property, but when that is not the case, we need to be careful to protect other potential partial owners.

I do not agree with Recommendation 5.1. I think it is important for physicians to maintain their independence to be able to exercise their professional judgment. Employment at a hospital may provide a conflict of interest in providing for a patient's best care.

I do not agree with Recommendation 8.3. For me, there is not sufficient reason to change and expand the powers of emergency service districts that currently have authority granted under Chapter 776, Texas Health and Safety Code. However, if a particular district would like the powers granted under 775, I will work with their elected officials to change that district.

I cannot endorse the Recommendations for Charge 9 because I do not feel I personally heard sufficient testimony on these recommendations.

Thank you again for this opportunity to provide input on the committee's interim report. I look forward to working with you and the other members of the Senate Intergovernmental Relations Committee during the 82nd Legislature. Please do not hesitate to contact me if you have any questions on these matters.

Sincerely,

A handwritten signature in black ink, appearing to read "Robt Lee Nichols".

Robert L. Nichols  
State Senator

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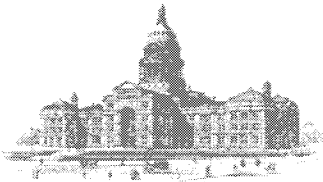
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## MARIO GALLEGOS, JR.

November 29, 2010

The Honorable Royce West, Chairman  
Senate Committee on Intergovernmental Relations  
P.O. Box 12068  
Austin, Texas 78711

Dear Chairman West,

Thank you for your continued excellent leadership of the Senate Committee on Intergovernmental Relations. The interim period of the 81<sup>st</sup> Legislature has provided an excellent opportunity to study the issues facing the committee and I believe great progress has been made.

I support each of the recommendations that appear in this report, particularly the recommendation regarding Emergency Service Districts (ESD's). In addition to examining the standardization of ESD authority, I wanted to take this opportunity to address the oversight of ESD's. While ESD's provide essential services to our communities, it is imperative that we have proper oversight in place to ensure that they are operating within their intended parameters. As I have personally viewed instances in my district where abuses of power have been apparent, I write separately to advocate for heightened levels of transparency for ESD's in the State of Texas.

Thank you again for the excellent work you have done in your role as Chairman of the committee. I appreciate the opportunity to provide additional input regarding the interim charges and look forward to working with you during the 82<sup>nd</sup> Legislative Session.

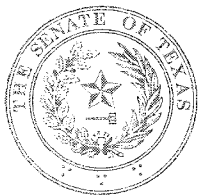
Sincerely,

A handwritten signature in black ink that reads "Mario Gallegos, Jr." in a cursive script.

Mario Gallegos, Jr.







# The Senate of The State of Texas

## DAN PATRICK

Senator ★ District 7

### Harris County

Bunker Hill Village

Hedwig Village

Hilshire Village

Houston

Humble

Hunters Creek Village

Jersey Village

Katy

Piney Point Village

Spring

Spring Valley

Tomball

Waller

November 30, 2010

The Honorable Royce West  
Senate Committee on Intergovernmental Relations  
P.O. Box 12068  
Austin, Texas 78711-2068

Dear Chairman West:

I greatly appreciate your leadership of the Senate Committee on Intergovernmental Relations during the 81st Legislative session and interim. I offer my approval to the interim report, but would like to add some clarification to one of the recommendations.

I cannot give my support to the Recommendations for Charge 9. Insufficient time was offered during testimony to fully understand the implications related to this recommendation. Expanding the functions of the Texas Department of Housing and Community Affairs will certainly have fiscal implications that deserve significant deliberation.

Thank you for the opportunity to provide my thoughts on the interim report and the Intergovernmental Relations Committee.

May God bless.

DP/jg

### COMMITTEES:

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*Vice-Chairman*  
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## Senate Committee on Intergovernmental Relations - Interim Charges

1. Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.
2. Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.
3. Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.
4. Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.
5. Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.
6. Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.
7. Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.
8. Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of

ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

9. Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.

- Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.

**Senate Committee on Intergovernmental Relations Report to the 82nd Legislature  
Executive Summary**

***Charge 1: Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.***

Recommendation:

**1.1** Existing statutory provisions regarding homeowners associations do not ensure adequate protections for homeowners. The 82nd Texas Legislature should pass legislation ensuring the basic private property rights of individuals residing within homeowners associations, including, but not limited to, appropriate: notice of association dedicatory instruments, by-laws, and guidelines; descriptions of fees and fines assessed and the ability to cure violations prior to enforcement; access to association books and records, including financial documents; notice and access to association meetings; election procedures of board members; and notice and redress in case of foreclosure.

***Charge 2: Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.***

Recommendations:

**2.1** No additional changes are needed to the municipal utility district template developed during the 80th Legislative Interim to improve the efficiency and oversight over the creation of districts.

**2.2** Additional language should be added to the existing municipal utility district template to require a two-thirds vote of all members of the Texas Senate and House of Representatives to grant a municipal utility district the authority of eminent domain. See Appendix B-1.

**2.3** In order to assist the Senate Committee on Intergovernmental Relations and members of the Texas Legislature in evaluating the size of proposed municipal utility districts, an additional questionnaire will be required to be submitted with the "Request for Hearing," which will request the approximate size (acreage) of the proposed district. See Appendix B-1. Proposed municipal utility districts over 3,000 acres, especially those requesting the authority to divide, may need to provide additional justification to the committee.

2.4 In order to assist in the evaluation of proposed municipal utility districts, the Senate Committee on Intergovernmental Relations will require evidence of local support to be submitted when the "Request for Hearing" is provided to the committee.

***Charge 3: Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.***

Recommendations:

3.1 Due to increasing voluntary efforts by local governments to provide public access to government information and records online, there is no need for additional statutory requirements or penalties.

3.2 City and county organizations should continue to collaborate and partner with each other to overcome existing obstacles to transparency, including working with the appropriate divisions in the Comptroller's office on the development of a standardized template for local governments to use in providing information in an online format. In addition, these organizations should continue to improve transparency efforts within their membership, including increasing participation in the Comptroller's Leadership Circle.

***Charge 4: Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.***

Recommendations:

4.1 Proving ownership of real property is difficult for many individuals in need of state and federal disaster assistance. Changes should be made to Chapter 41, Texas Property Code, to provide a mechanism for those individuals in possession of real property and impacted by natural disasters to obtain a power of attorney for the purpose of receiving funds for the improvement of real property.

4.2 The inability of individual heirs to obtain fee simple title to property renders vast amounts of land untransferable. Changes should be made to existing adverse possession statutes (Chapter 16, Texas Civil Practices and Remedies Code), which build upon existing practices and common real property law, by providing a mechanism for individuals to obtain insurable title by recording an Affidavit of Heirship (Section 52A, Texas Probate Code) and an Affidavit of Possession for an acceptable amount of time.

**4.3** The Senate Committee on Intergovernmental Relations will be submitting a request to the United States Senate and Congressional delegation from Texas requesting consideration of the following amendments to federal law:

- Change the federal requirement under the HOME Investment Partnerships Program (HOME) from a requirement of fee simple ownership and good and marketable title to a requirement that the person(s) requesting assistance be principal occupants.
- Change the federal requirement under the HOME program to accept criteria as identified in Section 2306.188, Texas Government Code, which allows someone to establish via affidavit that they are the principal occupants and have been acting as owners by providing supporting evidence such as tax statements or utility bills.

**4.4** Favorable consideration should be given to legislation that: (1) creates an expedited process for giving notice to potential claimants and establishes title by a suit to quiet title; (2) creates a rebuttable presumption of fee title for persons who establish that they are acting as owners by being the principal occupants and the taxpayers of record for a specified period, assuming they can establish that they attempted to reach any other owners and been unsuccessful; (3) provides for an annual publication, similar to the escheat report; or (4) creates a fund to compensate injured claimants.

**4.5** During the probate of any estate, dissolution of marriage, or other legal proceedings impacting title, it should be required that title records be updated in the county where sited, whether *pro se* or with legal representation. Letters testamentary should not be allowed after six months unless the update has been done or a valid reason for not updating the title has been provided to the court.

***Charge 5: Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.***

Recommendation:

**5.1** The inability to directly employ physicians is a barrier to the recruitment of healthcare providers for hospitals, particularly in rural and underserved areas. Favorable consideration should be given to legislative proposals that remove this obstacle or further expand current exceptions, thereby allowing physicians to be employees of rural hospitals, especially for facilities designated as critical access hospitals (42 U.S.C. Section 1395i-4) or sole community hospitals (42 U.S.C. Section 1395ww (d)(5)(D)(iii)). Any proposals should include appropriate safeguards to ensure that healthcare providers employed by hospitals are able to exercise independent medical judgment and that patient access to quality healthcare is maintained, including a review by the Texas Medical Board to determine if any additional rules or statutory changes should be adopted.

***Charge 6: Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on***



*impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.*

Recommendation:

**6.1** Recent statutory changes, including Senate Bill 89 (76th Legislature), House Bill 1445 (77th Legislature), and Senate Bill 1867 (80th Legislature) have created balanced policies related to annexation, zoning, and authority in the extraterritorial jurisdiction (ETJ) and unincorporated areas. Any concerns regarding development and growth are localized and do not warrant a shift in state policy at this time.

*Charge 7: Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.*

Recommendations:

**7.1** Existing constitutional and statutory limitations impede the ability of local governments to achieve cost savings and reduce the duplication of services through consolidation. Support for the functional consolidation of services by cities and counties can be achieved by alleviating these restrictions. Specifically, the 82nd Texas Legislature should approve the following constitutional and statutory changes:

- Changes to Article 11, Section 7, Texas Constitution, to clarify that debt resulting from contracts entered into between two or more local governments under Chapter 791, Texas Government Code, which is not a result of pledged bonds or other similar obligations, would not require a sinking fund and a tax levy.
- Changes to Chapter 791, Texas Government Code, to clarify that a local government can enter into contracts with one or more local governments for a term longer than one year.

*Charge 8: Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.*

Recommendations (MMDs):

**8.1** Chapter 375, Texas Local Government Code, otherwise known as the municipal management district statute, is in need of revision. Amendments need to be made to this statute that would better reflect the current use of municipal management districts, provide greater oversight by the appropriate state agencies, and clarify common administrative procedures.

**8.2** The popularity of municipal management districts has increased significantly over the past decade, resulting in an increase in the legislation filed to authorize the creation of these districts.

In order to ensure a more effective evaluation of proposed districts, the committee is making the following recommendations:

- Individuals seeking to file legislation to create a municipal management district should use standardized language regarding the "powers and duties" of the proposed district on file with the Texas Legislative Council. This would allow for a better understanding by members of the Texas Legislature and greater uniformity of the authority granted to proposed districts. See Appendix H-2 .
- The Senate Committee on Intergovernmental Relations will develop an additional questionnaire to be submitted with the "Request for Hearing." This questionnaire will request information regarding the purpose for which the proposed municipal management district is being created and the type of authority, including taxing and assessment authority, the legislation creating the district is requesting. See Appendix H-2.

Recommendation (ESDs):

**8.3** The Senate Committee on Intergovernmental Relations found that the vast majority of emergency service districts (ESDs) currently have the authority granted under Chapter 775, Texas Health and Safety Code, while some districts still have different authority granted under Chapter 776, Texas Health and Safety Code. In order to improve the uniformity and provision of fire and emergency services through these districts, the standardization of ESD authority should be considered.

Recommendation (PIDs):

**8.4** While first conceived as a means by which local governments could pay for routine maintenance activities, public improvement districts, in practice, have evolved into a financing vehicle for more substantial projects of public benefit. Guidance offered by the Office of the Attorney General in 2008 recognized the maturation of these districts, but created some uncertainty and tension between the letter of the law and its application. Clarifying the statute (Chapter 372, Texas Local Government Code) to reflect currently accepted and approved uses of public improvement district financing would provide certainty for cities and counties interested in using this tool to create public infrastructure and generate economic development.

***Charge 9: Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.***

- ***Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.***

Recommendations:

**9.1** Through the distribution of federal American Recovery and Reinvestment Act (ARRA) funds, the Texas Department of Housing and Community Affairs (TDHCA) gained valuable insight in reporting the number of job opportunities created and maintained following an investment of resources. TDHCA should build upon these experiences and review internal reporting mechanisms to determine if a community-based jobs tracking component should be

added to appropriate programs in order to evaluate whether funds provided to a certain area of the state benefit the members of that community.

**9.2** Improving the coordination of services provided to special needs communities has the potential to increase the level of services provided to individuals and households and to improve the efficient distribution of state and federal resources. In order to accomplish these goals, amendments should be made to Chapter 2306, Texas Government Code to:

- Require the Texas Department of Housing and Community Affairs (TDHCA) to gather the special needs category status of each individual or household served through TDHCA including, but not limited to: homeless, veterans, farm workers, youth aging out of foster care, and any other population, as determined by TDHCA rule; and
- Amend the information provided in the Low Income Housing Report (Section 2306.072), published annually by TDHCA, to include a tracking item to identify the number of individuals and households who meet these special needs categories and how these populations were served during the previous year, including any recommendations on how to improve the coordination of services for these populations across agency programs.

**Charge 1: Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.**

## **Background**

Common interest communities have been used across the country when individuals residing in a particular residential subdivision or development own common areas or provide for communal services. The organization and structure of common interest communities vary from state to state but all contain one consistent element. By definition, common interest communities are real estate whereby individuals are obligated to pay certain expenses by virtue of the individual's ownership of a unit within the community.<sup>1</sup> Homeowners associations are one example of this type of organization.

A homeowners association is an organization made up of owners of lots or units within a residential development, and is "generally vested with the management and maintenance of the community and its amenities or commonly-owned property."<sup>2</sup> The term "homeowners association" or "HOA" is used interchangeably with the term "property owners association." These terms are also commonly used to refer to associations composed of both subdivisions and condominiums. However, it is important to note that there are significant differences between the laws governing what is typically viewed as a subdivision association and what constitutes a condominium association. In Texas, the body of law that governs the operation and administration of homeowners associations is primarily found in the Texas Property Code. However, since most associations are incorporated as nonprofit organizations, laws applicable to nonprofit corporations also impact most homeowners associations.<sup>3</sup>

## **Foreclosure:**

In general terms, homeowners associations in Texas have the authority to foreclose and sell property at a public auction through the imposition of a lien. This authority is derived from the feature of all common interest communities: a declaration filed in the property records, upon the inception and development of a community, which outlines the obligations of individuals who

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<sup>1</sup> Senate Research Center, September 2010.

<sup>2</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 13.

<sup>3</sup> *Ibid.* p. 19.

purchase property within that development, including the payment of certain fees and expenses.<sup>4</sup> Commonly known as "covenants," these documents contain the conditions and restrictions that run with the land. Courts have consistently held that covenants act as binding contracts on all property owners who purchase property within an area.<sup>5</sup> The case most often cited in respect to homeowners association foreclosure in Texas is *Inwood v. Harris*.<sup>6</sup> In this case, the Texas Supreme Court found that since the appropriate documents were filed – by the developer of the subdivision – in the real property records of the county to explicitly place a lien on the property to secure certain payments, the covenants were binding on all purchasers of property in the subdivision.<sup>7</sup> The particular issue in *Inwood* was whether the homestead laws of Texas protect homeowners against foreclosure by HOAs. The court found that the establishment of a community association and mandatory membership by all property owners is an "inherent property interest" that defeats any homestead right.<sup>8</sup>

Courts in all states, similar to Texas, generally permit community associations to foreclose, if the policies and procedures for foreclosure are set forth in an association's declaration, and that document is properly filed in the real property records. However, the foreclosure procedures and requirements of the association prior to foreclosure vary greatly from state to state. Some states only allow foreclosure by associations in the same manner as a mortgage is foreclosed, while others require alternative dispute resolution or a certain amount of time or accrual of debt to elapse before an association can pursue foreclosure actions. A complete listing of the requirements in other states, as it relates to foreclosure procedures, can be found in Appendix A.

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<sup>4</sup> Senate Research Center, September 2010.

<sup>5</sup> *Ibid.*

<sup>6</sup> See *Inwood North Homeowners' Association, Inc. v. Harris*, 736 S.W. 2d 632 (Tex 1987).

<sup>7</sup> Senate Research Center, September 2010.

<sup>8</sup> *Ibid.*

### **Homeowner Association Governance:**

The creation and governance of homeowners associations are contained in several documents, which are used to establish the powers and duties of the association and the procedures for the association's management and administration. A description of these documents is provided below:

- Declaration of Covenants, Conditions, and Restrictions - These documents, synonymously referred to as "declarations," "CC&Rs," "restrictive covenants," or "deed restrictions," are most commonly created by the real estate developer and filed in the county deed records. They provide the contractual obligations imposed on homeowners upon purchase of land.<sup>9</sup> These are often seen as the most important governing document of an association because they outline the covenants that run with the land. Declarations also provide how the association will be governed, such as the election procedures for the HOA board; the powers and duties of the association, such as the authority by which the board can impose assessments or fine members of the community for specific violations; and the ability of the association to foreclose. Since these documents are filed in the county deed records, each owner is presumed to have notice of the information contained therein upon the purchase of property.<sup>10</sup>
- Certificate of Formation - All non-profit corporations in Texas are required to have a Certificate of Formation, which was formerly known as the Articles of Incorporation, filed with the Texas Secretary of State.<sup>11</sup> Most homeowners associations are required to comply with this law since they are incorporated as non-profit corporations.<sup>12</sup>

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<sup>9</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 17-18.

<sup>10</sup> *Ibid.* p. 18.

<sup>11</sup> See Texas Business Organizations Code, Section 3.005 and Section 3.009, for specific requirements.

<sup>12</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 19.

- Bylaws - Similar to the Certificate of Formation, all nonprofit corporations in Texas are required to adopt bylaws, which outline the regulation and management of affairs of the corporation.<sup>13</sup>
- Rules and Regulations - Many homeowners associations have a provision in their Declaration of Covenants, Conditions, and Restrictions that grants the board additional authority to set policies, practices, or guidelines for the enforcement or implementation of the provisions contained therein. These rules and regulations can usually be promulgated, amended, or rescinded by an action of the HOA board alone, if that authority is granted within the declaration.<sup>14</sup>

### **Assessments:**

Homeowners associations are created to protect residential property values and provide common amenities to individuals living within a community. HOAs primarily perform these functions through the imposition of assessments and the enforcement of aesthetic guidelines. Assessments, in the context of HOAs, are defined as the charges that are assessed by an association against homeowners to pay for common expenses associated with the operation of the HOA, and to pay for the amenities, common areas, or other elements in the community.<sup>15</sup> These may take several forms: regular assessments, special assessments, or individual assessments.<sup>16</sup> Provisions in the HOA's governing documents will generally control the type and amount of assessments, most commonly in the declaration. However, as already noted, an association's declaration can outline a mechanism whereby the HOA's board has authority to act to increase the amount of regular assessments or impose special assessments.<sup>17</sup>

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<sup>13</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 20.

<sup>14</sup> *Ibid.* p. 20-21.

<sup>15</sup> *Ibid.* p. 243.

<sup>16</sup> *Ibid.*

<sup>17</sup> *Ibid.* p. 244.



In the context of foreclosure, homeowners associations in Texas have the authority to secure the payment of assessments through a lien attached to property within an association. Foreclosure proceedings may be either through judicial or non-judicial means. Regardless of the method used, all foreclosures must comply with both an association's governing documents and all applicable provisions in the Property Code.<sup>18</sup> All homeowners associations in Texas are authorized to foreclosure on an assessment lien through judicial procedures. The Texas Uniform Condominium Act authorizes condominium associations to foreclosure by non-judicial means; subdivision associations must be expressly authorized to utilize non-judicial methods in their declaration.<sup>19</sup> Non-judicial foreclosures in Texas, regardless of whether they involve HOAs or not, are governed by Chapter 51, Property Code.

### **Enforcement Actions:**

Another reason given for the creation of a homeowners association is to ensure architectural compliance with certain aesthetic guidelines in the neighborhood, as determined by each HOA. Aesthetic guidelines of a community can be outlined in an association's declaration, or other governing documents. These are also filed as restrictive covenants in real property records. The most common method of enforcement of a restrictive covenant violation is through judicial enforcement, whereby a homeowners association files a civil lawsuit against the offending homeowner.<sup>20</sup> In these cases, the HOA seeks a permanent injunction against the homeowner to take or cease whatever action is in violation of the restrictive covenants.<sup>21</sup> Under a restrictive covenant lawsuit, the court is authorized to assess civil damages against the homeowner-defendant in an amount not to exceed \$200 for each day of the violation, and can award the homeowners association "reasonable" attorneys fees.<sup>22</sup> Currently, there is not a mechanism in

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<sup>18</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 242.

<sup>19</sup> *Ibid.* p. 254.

<sup>20</sup> *Ibid.* p. 341.

<sup>21</sup> *Ibid.* p. 342.

<sup>22</sup> Texas Property Code, Section 202.004 and Section 209.008.

statute for a judge to award attorneys fees to a prevailing homeowner-defendant in these lawsuits. The existing statutory provisions related to the judicial enforcement of restrictive covenants can be found in Chapter 202, Property Code.

The imposition of fines, which can be assessed to individual owners for failure to cure or stop repeating a violation found in the association's declaration, bylaws, or rules, is one method used by associations to enforce compliance with aesthetic guidelines through non-judicial means.<sup>23</sup> The authority of condominium associations to levy fines against unit owners is found in the Uniform Condominium Act.<sup>24</sup> No express statutory authority exists for subdivision associations to assess fines against lot owners, although an association can include this authority in the HOA's governing documents.<sup>25</sup> Before an association can assess a fine, it must comply with the due process proceedings contained in either the Uniform Condominium Act or Chapter 209, Property Code, as applicable. As it relates to subdivision associations, state law prohibits an association from foreclosing on a lien if the debt "consists solely of: (1) fines assessed by the association; or (2) attorney's fees incurred by the association solely associated with fines assessed by the association."<sup>26</sup>

### **Issues**

There are approximately 4.8 million Texans living in homeowners associations, paying assessments in the amount of \$3.2 billion annually.<sup>27</sup> Due to the large number of individuals impacted by homeowners associations, it is important to review the existing authority granted to HOA boards and associations, particularly as it relates to the ability to foreclose, and to ensure that current state statutes provide adequate protections for homeowners. While this interim

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<sup>23</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010.) p. 338.

<sup>24</sup> *Ibid.* p. 339.

<sup>25</sup> *Ibid.*

<sup>26</sup> Texas Property Code, Section 209.009.

<sup>27</sup> Texas Community Association Advocates. Home page. 1 November 2010  
<<http://www.txcommunityassociationadvocates.org/Association-Living---Texas~313979~20176.htm>>

charge primarily asked the Senate Committee on Intergovernmental Relations (IGR) to study protections as they relate to foreclosure, a review of other aspects of HOA governance is warranted. A study of homeowner protections in the context of unfair foreclosures alone, without the context of other state policies regarding HOAs, only provides a brief snapshot of one area where statutory changes may be needed and does not address many of the issues homeowners face leading up to potential foreclosure proceedings.

Members of the Texas Legislature, over the course of recent sessions, have sought to amend existing statutory provisions related to homeowners associations, often in response to specific concerns of their constituents. In fact, during the 81st Legislative Session, 32 bills were filed relating to HOAs; many garnered enough support for consideration in both the Senate and House of Representatives, only to fall short of passage as the legislative session concluded.

#### **Legislative Proposals:**

Any discussion regarding homeowners associations should begin with one common premise – individuals should be informed of the existence of an HOA and the covenants that run with the land when property is purchased. This is a fundamental concept that has across-the-board agreement among homeowners, associations, and industry representatives. Although, similar to other legislative proposals, several options have been proposed regarding how this notice should be provided. Section 202.006, Property Code requires homeowners associations to file dedicatory instruments in the real property records. Simple changes to this statute to explicitly define that all governing documents of an HOA – such as declarations, bylaws, and rules – must be filed in the real property records would ensure that all important documents are available to purchasers. However, this may not be enough to provide effective notice to those potential homeowners who are unaware that this information even exists. One common method used to provide effective notice to potential buyers during real estate transactions is through a resale certificate. This document typically contains the existing restrictive covenants, liens, and assessments or tax levies on real property. Past legislative proposals regarding homeowners

associations have consistently supported increasing notice to homebuyers through a resale certificate or other form of disclosure document during real estate transactions.

Other legislative proposals have addressed complaints heard from individuals living in HOAs. Most of these have one common theme: a homeowner that has lost faith in a decision or action taken by their HOA board. Numerous examples were provided during interim committee hearings, and through direct correspondence with the Senate IGR Committee. These indicate that many individuals residing in homeowners associations feel as if they have been effectively “cut out” of board meetings, elections, and enforcement actions. Complaints run the gamut from actions taken by board members to larger votes of the association that homeowners felt were unfairly punitive to particular individuals or groups of homeowners. Although these actions may not be common across all HOAs, the knowledge that punitive acts can occur suggests that additional legislative measures are needed to provide more oversight of board decisions. A review of the existing body of law governing associations indicates that amendments are necessary to ensure that associations conduct meetings and make decisions regarding an individual’s private property in public so that all interested parties are aware of the reasons for, and the rationale behind, an HOA board decision. Past legislative proposals have echoed these sentiments.

Additional legislative attempts have sought ways to increase homeowner participation in board meetings and improve access to the books and records maintained by associations. Increased participation in board meetings would provide homeowners with the opportunity to exercise more direct control over decisions made by their association and feel more involved in matters that impact their property. This would also allow homeowners to take appropriate actions if disagreement occurs. Legislative proposals should also take into consideration concerns expressed by individuals regarding the inability to elect board members of their choice due to high voting thresholds or through the use of archaic voting methods. Voting requirements of up to 90 percent of all homeowners, found in numerous declarations, present a threshold that is nearly impossible to reach for homeowners attempting to change the make-up of their HOA

board to reflect homeowner interests as opposed to the initial interests of the developer. Recent changes regarding electronic voting in government elections, or the use of online voting, also have the potential to increase homeowner participation and turnout and replace outdated proxy voting methods. In addition, the appropriate level of transparency, as it relates to the records of an association, would also ensure homeowners have an adequate say in how their assessments and other funds are being spent. These and other legislative amendments to Chapter 209, Property Code, known as the Texas Residential Property Owners Protection Act, would allow homeowners to truly utilize this statute for what its name implies – to protect owners of residential property.

**Foreclosure:**

The near-passage of several measures during the 81st Legislative Session has resulted in an even greater push from homeowners seeking reforms, including additional attention from the news media and other organizations, which are now acknowledging and reporting inappropriate acts against homeowners, foreclosures in particular. The issue of foreclosure by homeowners associations is directly related to the inability of individuals to make payments of assessments, and is more often than not the focus of news stories related to HOAs.

*[N]o function of a Homeowners Association has attracted as much public media attention as the collection of Assessments and the exercise of foreclosure rights in connection with such collection efforts.<sup>28</sup>*

The largest revenue source of any community association is a monthly, quarterly, or annual assessment paid by property owners residing in the community. These are commonly used to protect property values, such as maintenance of common areas or other amenities, or to provide services once exclusively provided by local governments, such as security, trash pick-up, or

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<sup>28</sup> Cagle, Gregory S., *Texas Homeowners Association Law: The Essential Legal Guide for Texas Homeowners Associations and Homeowners*, Minneapolis: Two Harbors Press, 2010. p. 341.

lighting.<sup>29</sup> Those in the HOA industry suggest that associations use foreclosure as a last resort, only when the amount of debt owed is significant, and when the burden of the non-payment of assessments by a few homeowners is causing others in the community to make up the deficit or suffer reduced amenities and services.<sup>30</sup> These claims have been disputed by homeowners advocating for association reforms, who suggest that the foreclosure of homes is too common, and may often be triggered by small debts owed to associations.<sup>31</sup> It has been suggested that the legislature look at additional protections for homeowners facing foreclosure, like those currently afforded in homestead protections.<sup>32</sup> Additional options regarding foreclosure protections include proposals similar to those present in California and Arizona, which have put in place a *de minimus* threshold that prohibits foreclosure actions against a property owner unless the owner has been delinquent for a period of one-year or in an amount greater than \$1,200 or \$1,800, respectively.<sup>33</sup>

Legislation filed during the 81st Legislative Session focused on the method by which foreclosure can take place, requiring judicial proceedings in all actions, or the utilization of an expedited judicial process under new rules promulgated by the Texas Supreme Court. In addition, several legislative reforms required homeowners associations to offer payment plans to owners to allow for the pay out of delinquencies over time, reducing the need for associations to foreclose when the homeowner is facing financial hardship. These proposals balanced the needs of other property owners by not requiring payment plans for owners who defaulted on a plan in the last five years, thereby allowing associations to act in those instances where homeowners perpetually avoid payments. In an effort to further reduce foreclosures, legislation was also filed to require payments to be applied to various assessments and debts in a specific order of priority. This

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<sup>29</sup> Senate Committee on Intergovernmental Relations hearing, April 7, 2010 (statement of Roy Hailey, Community Associations Institute).

<sup>30</sup> *Ibid.*

<sup>31</sup> Senate Committee on Intergovernmental Relations hearing, April 7, 2010 (statement of Gwen Gates, Texas Homeowners for HOA Reform).

<sup>32</sup> Letter from Texas HOA Reform Coalition.

<sup>33</sup> Senate Research Center, September 2010.

would have ensured that payments are applied to past due assessments as a matter of priority, since assessment liens are the primary reason for HOA foreclosures. The committee heard support for both of these concepts at a public hearing conducted in Houston on April 7, 2010, and at a final hearing on October 19, 2010.

Disagreements between many homeowners associations and individual homeowners typically begin with relatively small fines imposed by associations for violations of aesthetic guidelines or restrictive covenants, but over time these fines and fees have resulted in debts that are insurmountable to homeowners. This is largely because, even if homeowners dispute the violation, homeowners associations continue to increase the fine, or the board or management company of the association enlist the service of an attorney, adding legal fees to the debt already owed by the homeowner.<sup>34</sup> Some of these complaints, upon a reading of facts, seem particularly punitive against homeowners. Information was provided regarding one case involving a "small amount of silver-colored insulating covering," which resulted in a homeowners association suing a resident for \$21,000 in fines plus court costs, and the imposition of a special assessment on other members in the community to pay for the association's legal fees in conjunction with the action.<sup>35</sup>

Testimony provided to the committee also indicates that the existing statutory provisions related to the notice homeowners receive of a violation, particularly those involving judicial actions for alleged violations of restrictive covenants, have proved inadequate.<sup>36</sup> In some instances, a homeowner is unaware of the potential violation and not given time to cure prior to being fined.<sup>37</sup> In addition to insufficient notice requirements, existing statutory provisions have

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<sup>34</sup> Senate Committee on Intergovernmental Relations hearing, April 7, 2010 (statement of Gwen Gates, Texas Homeowners for HOA Reform).

<sup>35</sup> Written testimony submitted by Gabriele Duncan at Senate Committee on Intergovernmental Relations hearing April 7, 2010. On file.

<sup>36</sup> Senate Committee on Intergovernmental Relations hearing, April 7, 2010 (statement of Gwen Gates, Texas Homeowners for HOA Reform).

<sup>37</sup> *Ibid.*

resulted in many homeowners asserting that the law is unfairly balanced against them. Commonly cited is a provision in Section 209.008, Property Code, which only allows for the prevailing plaintiff in a civil enforcement proceeding to be awarded attorneys fees, without a corresponding provision to allow for a prevailing defendant to be compensated. This provision ensures that those associations that initiate frivolous proceedings can continue to do so without fear of reprisal, and can continue to force other homeowners to fund their actions. Specific legislative proposals to address these, and many other inadequate consumer protections, found in Chapter 209, Property Code, were filed during the most recent legislative session. These legislative proposals attempted to strike a balance between preserving the ability of homeowners associations to address past-due debts and violations of restrictive covenants while protecting property owners against unfair actions. If these proposals had passed, they would have provided homeowners with adequate protections against unfair foreclosures.

Two themes have resonated throughout discussions regarding homeowners associations, both during conversations related to legislation filed during the 81st Session and during testimony at interim committee hearings on this charge. The first is the ability of homeowners associations to function for the betterment of communities. The second is the ability of homeowners to have a voice regarding the decisions and actions of their association. Those in the HOA industry – including developers, association representatives, and management companies – support initiatives that encourage strong and professional associations; protect property values and permit the provisions of amenities and services to communities; and allow for the efficient operation and management of community, while giving owners the ability to exercise control over the functions of their association.<sup>38</sup> Homeowners want transparency within their associations with respect to open meetings and records; the ability to exercise control over association decisions through participation in board elections and changes in association rules and policies; and to prevent the foreclosure of homes when individuals face debt resulting from assessments, fines, and judicial actions.<sup>39</sup> Each decision made by the Legislature regarding any

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<sup>38</sup> Letter from Texas Community Association Advocates.

<sup>39</sup> Letter from Texas HOA Reform Coalition.



of the initiatives noted – notice of association dedicatory instruments, by-laws, and guidelines, descriptions of fees and fines, the ability to cure violations prior to enforcement, access to association books and records, notice and access to association meetings, fair election procedures – has the potential to impact the ability of homeowners to participate in actions regarding their private property, and could ultimately lead to a reduction in foreclosures.

### **Committee Hearings**

The Senate IGR Committee took both invited and public testimony on this charge on April 7, 2010, in Houston. Representatives from the Texas Association of Realtors, Texas Association of Builders, Community Associations Institute, and Texas Homeowners for HOA Reform were asked to address legislative proposals from past sessions and to offer suggestions for other changes to state law that would prevent unfair foreclosures. As part of the public testimony on this charge, numerous homeowners voiced their stories regarding unfair actions by specific HOAs.

As a result of this hearing, the committee formed a workgroup to address those instances where consensus could be reached among all stakeholders, and to identify those issues where divergent opinions exist. A workgroup meeting was held in Austin on September 13, 2010, which was attended by over 30 individuals, with each given an opportunity to provide comment. Representatives from the workgroup provided specific recommendations to the Senate IGR Committee on October 19, 2010.

### **Recommendation**

**1.1** Existing statutory provisions regarding homeowners associations do not ensure adequate protections for homeowners. The 82nd Texas Legislature should pass legislation ensuring the basic private property rights of individuals residing within homeowners associations, including, but not limited to, appropriate: notice of association dedicatory instruments, by-laws, and guidelines; descriptions of fees and fines assessed and the ability to cure violations prior to enforcement; access to association books and records, including financial documents; notice and

access to association meetings; election procedures of board members; and notice and redress in case of foreclosure.

**Charge 2: Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.**

## **Background**

Throughout the state's history, various mechanisms have been used for the provision of water and wastewater infrastructure. As early as 1904, the Texas Legislature adopted Article 3, Section 52 of the Texas Constitution, which permitted the creation of special districts for these purposes.<sup>40</sup> Districts were given the authority to assess taxes and issue bonds when Article 16, Section 59 was adopted in 1917.<sup>41</sup> In 1971, the 62nd Texas Legislature adopted Chapter 54, Texas Water Code, which authorized the creation of municipal utility districts (MUDs). This statute, in conjunction with Chapter 49, Water Code, which governs water districts in general, provides the guidelines and administrative practices for the creation and operation of municipal utility districts in this state.<sup>42</sup>

The Texas Commission on Environmental Quality (TCEQ) is the primary state agency responsible for the regulation and oversight of municipal utility districts, although MUDs must also comply with applicable federal and local regulations, including municipal regulations regarding water, sewage, and drainage; county subdivision standards; and limitations imposed by other political subdivisions. The issuance of bonds by municipal utility districts is also subject to review by TCEQ and the Office of the Texas Attorney General.<sup>43</sup>

The Water Utility Database (WUD) is maintained by TCEQ and lists all water districts in the state, including MUDs, in a web-based format.<sup>44</sup> Also included on this website is information relating to status of each district: active, inactive, or dormant. See Figure 2.1 for information regarding the number of inactive municipal utility districts by period. A complete list of municipal utility districts and status can be found in Appendix B. All municipal utility districts, including those that are classified as inactive or dormant, are required to file specific financial

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<sup>40</sup> Association of Water Board Directors, *Water District Directors' Handbook*, January 2010, p. 3.

<sup>41</sup> *Ibid.*

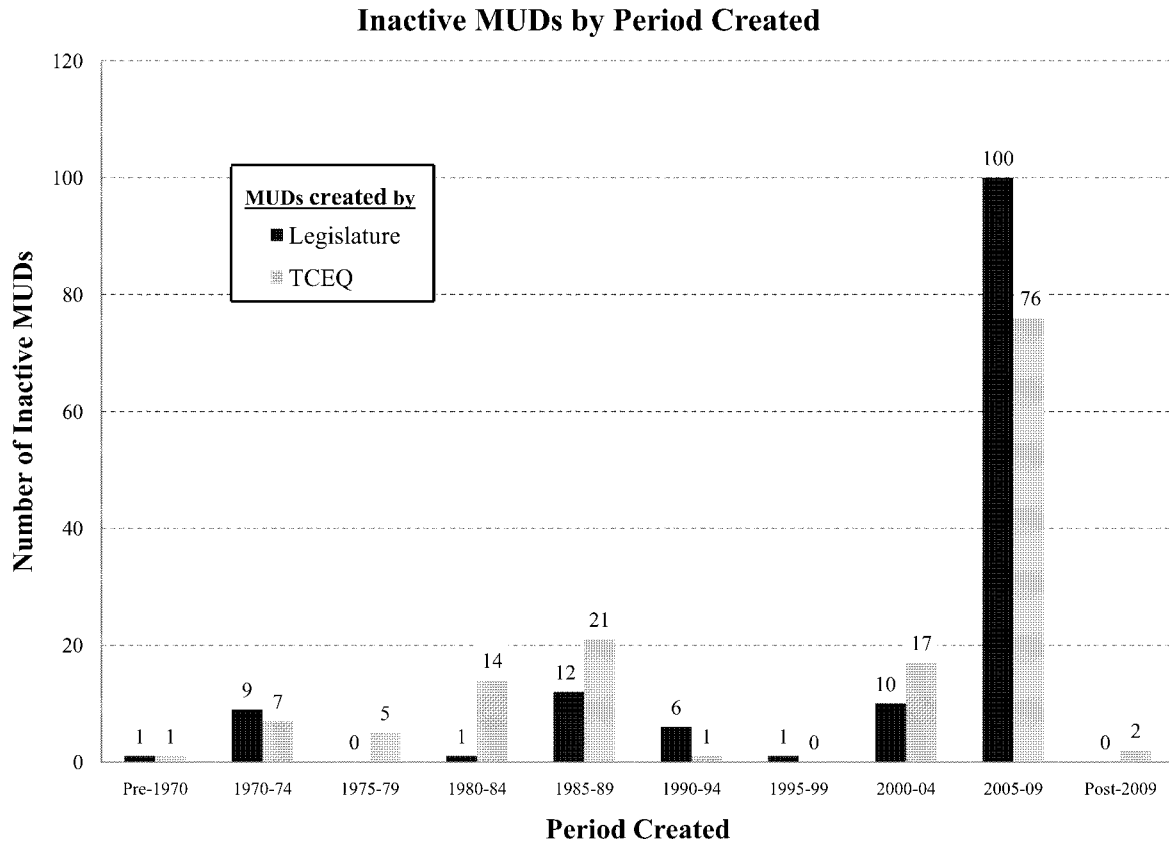
<sup>42</sup> *Ibid.* p. 4.

<sup>43</sup> Senate Committee on Intergovernmental Relations hearing April 6, 2010 (statement of Joe B. Allen, Allen, Boone, Humphries, Robinson LLP).

<sup>44</sup> Database can be accessed at: [www.tceq.state.tx.us/permitting/water\\_supply/ud/iwud.html](http://www.tceq.state.tx.us/permitting/water_supply/ud/iwud.html).

records with the Texas Commission on Environmental Quality in accordance with Chapter 49, Water Code.

**Figure 2.1**



Source: Texas Commission on Environmental Quality, data as of September 30, 2010.  
 Analysis prepared by TLC, Research Division.

10/28/2010

Municipal Utility Districts may be created through one of the following methods:

- General Law Districts – A “general law” district conforms to, and is established under procedures outlined in the Water Code. These districts are created through a petition to the TCEQ.
- Special Law Districts – A “special law” district has either been created or altered by an act of the Texas Legislature.<sup>45</sup>

<sup>45</sup> Association of Water Board Directors, *Water District Directors' Handbook*, (January 2010), p. 6.

Regardless of the method by which a municipal utility district is created, any local government within the boundaries of the proposed district is afforded the opportunity to be involved in the district's creation. Article 16, Section 59 of the Texas Constitution outlines these procedures.

General law creations require:

- Published notice in a newspaper published in or of general circulation in the county in which a proposed district is located;
- Consent of each municipality within the boundaries of the proposed district; and
- Notification by the proposed district on the bulletin board used for posting legal notices of each county within the proposed boundaries of the MUD.<sup>46</sup>

In addition, if the district is located entirely outside the corporate limits or extraterritorial jurisdiction (ETJ) of a municipality, TCEQ authorizes a county to file with them written comments either in support of, or objecting to, the district's creation.<sup>47</sup> Any county objecting to the creation of a municipal utility district through the TCEQ is permitted to participate in a contested case hearing at a location designated by the State Office of Hearing Examiners.<sup>48</sup>

Special law creations require notice to be delivered via written correspondence to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the TCEQ, and the commissioners' court of each county within the boundaries of the proposed district.<sup>49</sup> Municipal consent for the creation of any special district within the city's corporate limits or ETJ is required by Section 42.042, Local Government Code, and also with respect to a MUD, Section 54.016, Water Code.

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<sup>46</sup> Staff, Texas Commission on Environmental Quality. 26 October 2010. Email to the author.

<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*

<sup>49</sup> *Ibid.*

The creation of special law municipal utility districts through legislation, instead of TCEQ petition, has become increasingly popular over the past 10 years. See Figure 2.2. As a result, during the 80th Interim, the Senate Intergovernmental Relations (IGR) Committee worked with the Texas Legislative Council and appropriate stakeholders to develop standard language to be used for MUD creation legislation. This "template" was used by both the Senate IGR Committee and applicable committees in the House of Representatives during the 81st Legislative Session.

**Figure 2.2**

<b>Session Workload Relating to Water District Legislation *</b>			
<b>Session</b>	<b>Requested Drafts Relating to Water Districts</b>	<b>Drafts to Create MUDs</b>	<b>Enrolled Bills Creating MUDs</b>
76R	379	2	1
77R	461	20	5
78R	494	42	9
79R	657	136	45
80R	823	170	53
81R	698	117	46

*\* Texas Legislative Council - October 2010*

### **Issues**

As previously noted, in order to ensure the effective evaluation of legislation creating municipal utility districts, which has increased significantly in the last decade, the MUD template was developed. The use of this model language provided a uniform standard to which the responsible Senate and House committees could compare proposed legislation. Of the bills filed during the 81st Session to either create a municipal utility district or amend the enabling legislation of an existing district, a vast majority followed the model bill language.<sup>50</sup> In the Senate IGR Committee, deviations to the template were only considered under specific circumstances. The use of model language vastly improved the efficiency by which proposed districts were evaluated at every step in the legislative process. Given this widespread support and use of the

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<sup>50</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Susan Alexander, Texas Legislative Council).

model MUD language during the past legislative session, a review was conducted to determine if any language changes to the template are needed prior to the 82nd Legislative Session. In addition, the increased efficiency afforded by the use of the MUD template provided the opportunity to study other aspects of municipal utility district legislation to determine if additional standardization of committee processes should take place.

### **Municipal Utility District Division and Acreage:**

The most common deviation from the MUD template during the 81st Legislative Session was language authorizing the proposed district to divide. The division of municipal utility districts is not uncommon, but during the 81st Session, specific concerns related to MUD division arose when legislation to create districts of over 10,000 acres was filed. The size of these districts, coupled with language that would allow the MUD to divide, caused significant policy concerns related to legislative oversight and the ability to create multiple districts with the passage of only one bill. As a result of meetings between the appropriate Senate and House of Representatives committee members, as well as city and county associations and the TCEQ, an acreage cap of 3,000 acres was suggested for all municipal utility district creation bills proposed during the last session. This policy decision was revisited during testimony related to this charge.

The Texas Commission on Environmental Quality testified on February 23, 2010, that the agency creates districts both "large and small" and did not express a concern with the size (acreage) of proposed districts but did note that general law MUDs do not have the authority to divide into one or more districts.<sup>51</sup> This is different from special law districts, which are commonly granted this authority through legislation. The average size of municipal utility districts statewide is hard to ascertain. A survey of the legislation used to create these districts provides little assistance as the acreage of the proposed district is very rarely included in the legislation creating the district, and if available, is only determined through a study of the meets and bounds provisions. According to TCEQ, the average size of a municipal utility district is approximately 800 acres. However, it is difficult to determine if this acreage limit should be the

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<sup>51</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of L'Oreal Stepney, Texas Commission on Environmental Quality).



standard used by the committee as the appropriate benchmark, considering the nature of today's large scale developments in comparison to those of past decades. Given that municipal utility districts must include adequate acreage to support enough development to maintain sustainable tax revenues, the cap established during the 81st Legislative Session effectively ensures that districts can only divide a minimal amount of times and still maintain financial sustainability. Using this cap as a benchmark when the appropriate size of districts is considered ensures an appropriate level of legislative oversight over proposed districts.

### **Municipal Utility Districts Outside City Limits or ETJ:**

The 81st Legislature saw an increase in the number of municipal utility districts being created through legislation outside of a municipality's corporate limits or extraterritorial jurisdiction (ETJ). This was not surprising given the increase in the state's population and the need for infrastructure to support this growth. With an increase in the creation of municipal utility districts in the unincorporated areas, the need arose to determine if increased oversight of these districts is warranted. As previously stated, state statute requires that prior to the creation of a municipal utility district, each city within whose boundaries the proposed district is to be created must consent to the district's creation. Each county is required to be notified.

While many members of the Senate and House of Representatives solicit input from the impacted communities prior to filing legislation, evidence of local support, including that of municipalities who must ultimately consent to the district's creation, is not always provided to the applicable committees prior to the bill's consideration. A process to determine the level of local support of any proposed special law district outside of the city limits or ETJ, consistent with existing state statute and procedures at the TCEQ for general law districts, would guarantee the appropriate level of input by city and county officials. In addition, setting a specific timeframe to provide this information to the appropriate committees would improve the ability of members to evaluate proposed districts.

### **Revisions to the MUD Template:**

A review of the existing municipal utility district model language, through the committee hearing process, did not result in any suggested revisions or amendments needed to increase the efficiency and oversight of proposed districts. It did, however, identify a conforming change for consideration, which resulted from actions taken during the 81st Legislative Session.

House Joint Resolution (H.J.R.) 14 was filed with the Texas Secretary of State on June 3, 2009, and adopted by the voters as Constitutional Amendment No. 11 on November 3, 2009. The exact wording for the ballot was as follows:

*The constitutional amendment to prohibit the taking, damaging, or destroying of private property for public use unless the action is for the ownership, use, and enjoyment of the property by the State, a political subdivision of the State, the public at large, or entities granted the power of eminent domain under law or for the elimination of urban blight on a particular parcel of property, but not for certain economic development or enhancement of tax revenue purposes, and to limit the legislature's authority to grant the power of eminent domain to an entity.*

According to the Texas Legislative Council, this amendment limits the Texas Legislature's ability to grant the power of eminent domain to any entity by requiring that any grant of this authority be approved by a two-thirds vote of all members in both the Senate and House of Representatives.<sup>52</sup> Chapter 54, Water Code, which is applicable to municipal utility districts, grants the authority of eminent domain to MUDs for limited purposes. These purposes are further limited by the language used in the MUD template. According to the Texas Legislative Council, in testimony provided before the committee, changes are needed to the template to conform the language to changes made as a result of this change to the Texas Constitution.<sup>53</sup>

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<sup>52</sup> Senate Committee on Intergovernmental Relations hearing October 19, 2010 (statement of Stacy Bergendahl, Texas Legislative Council).

<sup>53</sup> *Ibid.*

However, there have been interpretive issues raised regarding the constitutional amendment, its proposed application to municipal utility districts, and its reference in the MUD template.<sup>54</sup> Appropriate changes to the municipal utility district template – to conform it to the interpretation by the Texas Legislative Council – have been reviewed.

### **Committee Hearings**

The committee took testimony on this charge on February 23, 2010, and April 6, 2010. Numerous witnesses testified that the development of the MUD template during the previous session was a benefit to both those individuals looking to create districts and the cities, counties, and agencies responsible for monitoring the creation of districts. The committee also heard testimony from the TCEQ and the aforementioned individuals on topics related to the status of municipal utility districts at TCEQ, division authority and the acreage of proposed MUDs, and the appropriate evidence of local support for districts located entirely outside of a city's corporate limits or ETJ.

A workgroup of all interested stakeholders – including the TCEQ, Texas Legislative Council, city and county representatives and their associations, and individuals responsible for proposing new municipal utility districts – was created by the committee to assist with the study of topics mentioned in this report and to review whether any changes are needed to the MUD template. Recommendations of the workgroup were presented at the final Senate IGR Committee hearing on October 19, 2010.

### **Recommendations**

**2.1** No additional changes are needed to the municipal utility district template developed during the 80th Legislative Interim to improve the efficiency and oversight over the creation of districts.

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<sup>54</sup> Senate Committee on Intergovernmental Relations hearing October 19, 2010 (statement of Howard Cohen, Schwartz, Page and Harding, LLP).

**2.2** Additional language should be added to the existing municipal utility district template to require a two-thirds vote of all members of the Texas Senate and House of Representatives to grant a municipal utility district the authority of eminent domain. See Appendix B-1.

**2.3** In order to assist the Senate Committee on Intergovernmental Relations and members of the Texas Legislature in evaluating the size of proposed municipal utility districts, an additional questionnaire will be required to be submitted with the "Request for Hearing," which will request the approximate size (acreage) of the proposed district. See Appendix B-1. Proposed municipal utility districts over 3,000 acres, especially those requesting the authority to divide, may need to provide additional justification to the committee.

**2.4** In order to assist in the evaluation of proposed municipal utility districts, the Senate Committee on Intergovernmental Relations will require evidence of local support to be submitted when the "Request for Hearing" is provided to the committee.

**Charge 3: Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.**

## **Background**

Access to government information and the idea of “open government” are themes that have been present throughout the history of democracy. The notion that government actions and records should be open to all citizens is paramount to holding elected officials accountable for how laws are developed and how tax dollars are spent. Policies designed to hold governmental bodies and other political subdivisions accountable are present across federal, state, and local regulations. For the purpose of this interim study, the focus will be on transparency and open government initiatives in Texas, particularly the requirements relevant to cities and counties, and the efforts undertaken by these local governments to make information accessible to the public online.

### **Online Posting Requirements and Penalties:**

A discussion related to government transparency cannot take place without first understanding the existing requirements regarding government information and records. Chapter 552, Texas Government Code, also known as the Public Information Act (PIA), outlines the existing state statutory requirements related for governmental entities. The PIA is applicable to all government bodies in Texas, except the judiciary, and applies to all government records, including information held by third parties that a governmental body can access.<sup>55</sup> Citizens gain access to records, though the PIA, by making an official request to the governmental entity in possession of the data or information.

Although courts across the state have jurisdiction over certain legal proceedings related to the Public Information Act, the Office of the Texas Attorney General serves the primary role in enforcing compliance with the statute and providing the legal interpretation, when requested, on the provisions contained therein. The Attorney General’s office “interprets the PIA through rulings and open records decisions, provides education to government officials and entities, and administers enforcement through informal complaint resolution.”<sup>56</sup> An open records request is

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<sup>55</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

<sup>56</sup> *Ibid.*

triggered by a written request, and unless the Attorney General has ruled otherwise, a governmental body must respond to the request within 10 business days.<sup>57</sup>

Through the Public Information Act, all individuals are given the right to:

- Prompt access to information that is not confidential or otherwise protected;
- Receive treatment equal to all other requestors, including accommodation in accordance with the Americans with Disabilities Act requirements;
- Receive certain kinds of information without exceptions;
- Choose whether to inspect the requested information, receive copies of the information, or both;
- A waiver or reduction of charges for the receipt of information, if the governmental body determines that access to the information primarily benefits the general public;
- Receive a copy of the communication from the governmental body asking the Office of the Attorney General for a ruling on whether the information can be withheld, or if the communication discloses the requested information, a redacted copy; and
- Lodge a written complaint about overcharges for public information.<sup>58</sup>

As it relates to online information in the context of this charge, it is important to note that the Public Information Act does not require governmental bodies to post information online.<sup>59</sup> In fact, Section 522.221, Government Code, states that a governmental body can only comply with the PIA by "providing the public information for inspection or duplication in the offices of the governmental body; or sending copies of the public information by first class United States mail." The effect of this provision means that a governmental body does not comply with the PIA simply by providing information in an electronic format or by directing the requestor to

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<sup>57</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

<sup>58</sup> Texas State Library and Archives Commission. *Public Information Act*. 5 May 2010  
<<http://www.tsl.state.tx.us/agency/customer/pia.html>>

<sup>59</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

where the information is provided in an online format. So although a governmental body and requestor can mutually agree that an open records request be fulfilled by reference to information on a governmental body's website, simply referring an individual to information maintained in this manner, without such an agreement, does not comply with existing open records requirements.<sup>60</sup>

In addition to the requirements of the PIA, local governments in Texas, particularly cities and counties, are subject to several online posting requirements. A listing of the online posting requirements of municipal and county governments is provided in Appendix C. Most of these requirements are only applicable if the local government maintains a website; they do not require a city or county to do so. As a result of numerous meetings, testimony, and research, it has been determined that currently no requirement exists for any city or county to maintain an Internet website or provide specific information in an online format.

#### **Local Transparency Initiatives:**

Since taking office, Susan Combs, Comptroller of Public Accounts, has undertaken numerous initiatives to improve the transparency of information maintained by the State of Texas and local governments. On December 1, 2008, the Office of the Comptroller launched the "Texas Transparency Check-Up" to determine to what extent cities and counties in Texas post information online.<sup>61</sup> Information was sought on all 254 counties, 50 of the state's largest cities, school districts, and river and transit authorities.<sup>62</sup> Additional information regarding the results of the Comptroller's transparency survey can be found in Appendix C-1.

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<sup>60</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

<sup>61</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of The Honorable Susan Combs, Comptroller of Public Accounts).

<sup>62</sup> In the context of this charge, the Senate Committee on Intergovernmental Relations focuses on municipal and county governments.



Local government transparency initiatives, through the Comptroller's Office, have focused on three financial documents – the local government's budget, financial report, and check register, as defined below:

- Budget - A budget serves as the financial plan for the city, county or governing body. It shows proposed spending and revenue, typically for a one-year period, in broad categories by office/department and by account type, such as salary, transportation or supplies. A more detailed budget may show data by month;
- Financial Report - A financial report demonstrates how well the city, county, or government body manages within the proposed budget and plan. It includes a comparison of budgeted to actual expenses and revenues, typically for a one-year period, shown in the same broad categories and account types as the budget. Monthly financial or treasurer's reports are typically shown in summary only;
- Check Register - A check register is a listing of line-item expenses showing the date, amount, to whom the payment was made, account type, and purchase order number where applicable. Some check registers are searchable by vendor name and/or account type.<sup>63</sup>

In response to the information discovered as part of the "Transparency Check-Up," the Comptroller's Office, in March 2009, posted a list of "success stories," including information regarding how certain local governments were able to achieve the level of transparency identified and the common tools used by municipal and county governments to provide information in an electronic format.<sup>64</sup> In December 2009, the culmination of these efforts resulted in a roll out of the Comptroller's "Leadership Circle." The goal of this program is to "recognize local governments across Texas that are striving to meet a high standard for financial

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<sup>63</sup> Written testimony submitted by Robert Wood, Office of the Comptroller of Public Accounts, at Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>64</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of The Honorable Susan Combs, Comptroller of Public Accounts).

transparency online.”<sup>65</sup> This program, administered through the Local Government Assistance and Economic Development Division, has three tiers under which local governments can voluntarily seek recognition for transparency efforts.<sup>66</sup> Through a self-nominating application process, local governments can be awarded a “gold,” “silver,” or “bronze” designation; each level has increasingly more stringent requirements.<sup>67</sup> During the first 10 months of the program, there were 177 gold, 27 silver, and 34 bronze awards. On average, there are 24 new award nominees each month.<sup>68</sup> See Figure 3.1 for additional information.

**Figure 3.1**



<sup>65</sup> Written testimony submitted by Robert Wood, Office of the Comptroller of Public Accounts, at Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>66</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of The Honorable Susan Combs, Comptroller of Public Accounts).

<sup>67</sup> Written testimony submitted by Robert Wood, Office of the Comptroller of Public Accounts, at Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>68</sup> Written testimony submitted by Robert Wood, Office of the Comptroller of Public Accounts, at Senate Committee on Intergovernmental Relations hearing October 19, 2010. On file.

## **Issues**

While it is important to note that open government and providing citizens access to information has widespread support across governmental entities, policy makers, and the general public; the level of transparency needed to provide citizens with adequate information and how this can be achieved across a broad spectrum of local governments – with wide variations in population and technological capabilities – is the subject of some discussion. During hearings on this charge, every local government, including representatives from individual cities and counties and their respective associations, stated support for improving transparency and access to government information. But all, including interested state officials, urged against mandating a “one size fits all approach” and discussed some of the challenges presented to local governments when trying to provide information in an electronic format.

### **Privacy and Confidential Information:**

Any extension of the requirements for local governments to post information online needs to take into consideration existing confidentiality provisions found in the Public Information Act, and how any new requirement would interplay with prohibitions against the release of information that is confidential by law. According to the Office of the Attorney General, “confidential information is the biggest legal hurdle in connection with any online posting requirement and creates significant challenges for entities looking to post information online.”<sup>69</sup> City and county officials throughout transparency discussions echoed these comments. Examples of information that must be kept confidential and separated from public records in accordance with the PIA include, but are not limited to: social security numbers; bank account information, such as routing numbers; credit card numbers; certain motor vehicle information; and the email addresses of private citizens.<sup>70</sup> Public entities and local governments are also required to keep certain employee information confidential, such as information about other family members of

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<sup>69</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

<sup>70</sup> *Ibid.*

the employee (often found in insurance documents), and wage garnishments.<sup>71</sup> In addition to information that is required to be kept confidential, local governments are also authorized to use discretion in releasing other information. Examples of non-confidential information that is exempted from disclosure include: information about pending or potential litigation; information subject to attorney/client privilege as work products; trade secrets; and information that could interfere with pending investigations or prosecution.<sup>72</sup> This information is present in many government documents and is required, or allowed, to be redacted as part of any open records request or when information is provided in any other format.

Two issues arise for local governments relating to redaction – the need to balance public access with personal privacy and the costs associated with reviewing information. For example, one of the common elements voluntarily provided online by numerous local governments, and as part of the Comptroller’s Leadership Circle, is a check registry. Regardless of whether it is provided online as a searchable document or in a static format that is only readable, a check registry provides the potential for abuse. Local governments must wrestle with providing a check registry online within a reasonable amount of time, thus allowing citizens to view information in a timely manner, while avoiding the potential fraud associated with lost check claims derived from releasing information too early.<sup>73</sup> In addition, in an effort to increase transparency and provide information as soon as possible, some cities and counties have posted check registers online only to later realize that personally identifiable information was included.<sup>74</sup> This indicates that in order to comply with federal and state confidentiality statutes, any local government looking to post information online would also need the appropriate legal knowledge and expertise to remove all confidential information prior to providing information to the public. This not only involves knowing exactly what information falls under confidentiality guidelines

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<sup>71</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

<sup>72</sup> *Ibid.*

<sup>73</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of David Stephens, City of Plano).

<sup>74</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Jonathan Frels, Office of the Attorney General).

but also the staff time needed to redact this information from all documents released by the local government.<sup>75</sup>

### **Ease of Data Access and Understandability:**

While many local governments strive to be transparent and provide access to appropriate government information, they should also be sensitive to the fact that simply releasing documents may not provide citizens with information that is easily understandable. While the goal of a city or county may be transparency, simply providing information, without the appropriate context, may not achieve the desired result. An example provided by the City of Arlington demonstrates how citizens tend to gravitate towards documents and information that are more understandable. An analysis of the “hits” on the website maintained by Arlington revealed that the city’s Popular Annual Financial Report (PAFR) received three times as many website visitors as the city’s Comprehensive Annual Financial Statement (CAFR).<sup>76</sup> A CAFR, as the name implies, is a detailed, raw-data accounting of a city’s revenue and expenditures, which often includes a statistical analysis and numerous spreadsheets. In contrast, a PAFR provides similar information but in a format that is more user-friendly, typically identifying categories of expenditures and descriptions of programs.<sup>77</sup> While it can be surmised that some individuals and organizations will prefer access to raw data sets, the example provided demonstrates that a need also exists for summary-level data. Local governments, as part of transparency efforts, should be cognizant that the format of data is important to ensuring that information is comprehensible by the citizens who will access it.

### **Technological and Data Capacity:**

According to the United States Census Bureau, the smallest county in Texas, Loving County, has a population of less than 50 individuals, while the largest, Harris County, has a population of

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<sup>75</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Paul Sugg, Texas Association of Counties).

<sup>76</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Council Member Sheri Capehart, City of Arlington).

<sup>77</sup> Information obtained during workgroup discussions.

over four million. This difference in population size represents one of the greatest challenges to providing a uniform level of access to government information online. The diverse nature of cities and counties across Texas exemplifies the concept that a one size fits all approach to transparency may not be appropriate. While some of the state's largest counties have internal departments to handle information and technology that rival the resources of state government, others have only enough staff and expertise to maintain basic computer needs. For example, in order to provide online access to the city's check registry, the City of Plano utilized internal resources, which consisted of two staff members working full-time for six weeks coding and testing the new system, and financial staff working in conjunction with this project for two weeks while testing.<sup>78</sup> From this example alone, it can be determined that significant technological skill sets were needed to provide the level of access determined to be appropriate by Plano. Many local governments do not have this level of expertise, as exemplified by the number of Texas counties that still rely on outside support for web-based systems. The County Information Resources Agency (CIRA), which was created in 2001 and supported by the Texas Association of Counties (TAC), hosts the websites for 181 counties.<sup>79</sup>

In addition to the array of internal technological capabilities demonstrated across the spectrum of local governments, there is also a wide variation in the level of Internet access available to citizens across the state. Known as the "digital divide," this variation in service levels hinders the ability of some rural and low-income Texans to access government information that is provided online or in an electronic format. One of the witnesses on this charge testified that while attempting to access the information provided online by another local government, problems were encountered because there was not enough bandwidth available to retrieve the information.<sup>80</sup> While bandwidth and other Internet access issues fall outside of the scope of this charge, it is important to note that not all areas of the state have the capabilities to view local

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<sup>78</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of David Stephens, City of Plano).

<sup>79</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Paul Sugg, Texas Association of Counties).

<sup>80</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Lesa Crosswhite, County Treasurers Association of Texas).

government information in an online format. In some areas, the digital divide hinders the ability to access vast amounts of information online due to the lack of Internet data capabilities.

### **Impact on Costs and Resources:**

The impact on the costs and resources that are needed to provide information online is dependent on the type of information provided; the level of detail; and whether the information is real-time, searchable, or in a static format.<sup>81</sup> In addition to the resources necessary for redacting confidential data, other issues are presented when trying to maintain the integrity and consistency of data coming from different systems, each containing different terminology and data structures.<sup>82</sup> In order to provide some level of understanding of the variation in costs and resources across local governments, the Texas Municipal League and the Texas Association of Counties were asked to survey their membership and provide the committee with estimates. Both organizations used what is required to achieve a gold designation in the Comptroller's Leadership Circle – posting of static copies of the local government's budget, check registry, and annual financial report – as a benchmark. Across the board, survey responses acknowledged that the resources needed to comply with this program's existing requirements were minimal, but stressed that costs would increase if information was required to be posted in either a real-time or searchable format.<sup>83</sup> These comments were echoed by a recent study conducted by the LBJ School of Public Affairs. This study concluded that online transparency among local governments is often limited by websites that are not conducive to data mining, interactivity, or comprehension by the public.<sup>84</sup> Additional mandates to require local governments to maintain websites that meet these parameters may result in significant costs for those cities and counties without existing personnel and technical capacity.

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<sup>81</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Edward Dion, Texas Association of County Auditors).

<sup>82</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of David Stephens, City of Plano).

<sup>83</sup> Paul Sugg, Texas Association of Counties and Shanna Igo, Texas Municipal League. Email to the author. On file.

<sup>84</sup> LBJ School of Public Affairs - Policy Research Project, *Texas Financial Transparency: Open and Online* (12 May 2010) p. 30.

## **Committee Hearings**

The Senate Committee on Intergovernmental Relations (IGR) took invited and public testimony on Charge 3, related to local government transparency, on May 13, 2010, in Dallas. Additional testimony was provided to the committee on October 19, 2010. At the hearing in Dallas, the Comptroller of Public Accounts provided significant testimony regarding current and ongoing transparency initiatives at both the state and local level, stating that an extensive amount of state information is now available online through the “Where the Money Goes” website. Additional testimony was provided regarding local government initiatives through the Leadership Circle.

The Office of the Attorney General provided the committee with an overview of the Public Information Act and how it applies to transparency initiatives. Numerous local government representatives were on hand to provide testimony regarding the costs and resources needed to provide information online and address whether the state should consider any additional mandatory requirements or penalties. Following the conclusion of the testimony, a workgroup consisting of all hearing participants was formed to provide the committee with a recommendation regarding the availability of additional resources to assist local governments with transparency efforts and the need for additional state regulations. After numerous workgroup meetings, it was concluded that very few resources are available to cities and counties looking to improve transparency initiatives, other than those that currently are provided through the Comptroller’s Leadership Circle. At the final committee hearing, workgroup representatives provided its recommendation – that transparency efforts should remain voluntary.

## **Recommendations**

**3.1** Due to increasing voluntary efforts by local governments to provide public access to government information and records online, there is no need for additional statutory requirements or penalties.



**3.2** City and county organizations should continue to collaborate and partner with each other to overcome existing obstacles to transparency, including working with the appropriate divisions in the Comptroller's office on the development of a standardized template for local governments to use in providing information in an online format. In addition, these organizations should continue to improve transparency efforts within their membership, including increasing participation in the Comptroller's Leadership Circle.

**Charge 4: Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.**

## **Background**

The ability to own and sell property represents one of the most critical facets of obtaining the American dream. This is the reason why numerous statutory provisions and legal opinions exist to govern the possession, ownership, and transfer of real property, creating a vast amount of laws aimed at protecting the property rights of individuals during these transactions. One of the most basic elements related to real property ownership is title. “Title” is generally defined as the legal right to the possession of property, and in Texas, is used as one of the means to formally register ownership. As it relates to homeownership, title is used as the device to “determine who has legal authority to use, enjoy, encumber, and transfer the property.”<sup>85</sup> The ability to obtain adequate title to conform to this definition is a complicated matter and warrants additional discussion. While numerous federal and state laws provide the legal doctrine that governs the ownership, transfer, and inheritance of real property, this report will only focus on those sections of statute relevant to the charge and how they can be modified to assist individuals attempting to access disaster assistance funds or federal programs.

### **“Formal” versus “Informal” Ownership:**

Generally, the Texas Property Code contains the legal processes an individual must follow to facilitate the secure transfer of property to individuals or heirs, such as the traditional sale of a home or the transfer of property to family members or other individuals through deed. In addition, the Probate Code provides the legal and administrative actions regarding the dissemination of an estate after the death of an individual, such as the administration of a decedent's will or the specific requirements that must be followed in the event an individual dies intestate (without a will). As it relates to title, these codes contain the legal guidance that title insurance companies use to determine whether title to real property is “clear” and if it is appropriate to issue a policy insuring a buyer or lender’s investment. Determining clear title, or ascertaining whether or not a title is free of claims or disputed interests, is often dependent on whether the transfer of property took place through formal or informal means.

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<sup>85</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 120 (2009).

A “formal” transfer of property is a process “in which the law, access to legal resources, and third party oversight provide families with secure marketable title to their homes.”<sup>86</sup> This often takes place when title is transferred from one owner to another and a record is filed in the deed records of the county in which the property is located. Through deed records, the formal system of ownership provides an extensive title recording system, which creates a record of the chain of title. The purchase of a home, through a mortgage company or institutional lender, is just one example of how individuals commonly obtain secure and recorded title to real property. The evidence of a decedent’s will, or other document providing for the distribution of property after death through the probate process, can also be considered as a formal transfer of property. This type of legal document can be relied upon by title insurance companies when insuring any subsequent transfers of the property. While these are the most common ways to guarantee or demonstrate clear title to real property, state law in Texas provides other legal mechanisms for heirs to obtain secure title to property even if an individual dies intestate.

The processes for the administration of an estate following the death of an individual can primarily be found in Chapter 3, Probate Code (Determination of Heirship). This chapter includes different provisions that must be followed depending on whether the individual died with or without a will. Some of the mechanisms outlined in this chapter provide enough evidence to allow for the transfer of property with secure title, while others are less conclusive. For example, the most formal process to facilitate the transfer of property after the death of an individual without a will is the “determination of heirship” whereby heirs can file an action in court, which will then make a determination and issue a judgment that can be filed in the deed records as proof of ownership.<sup>87</sup> The heirs of smaller estates can also file a "small estates affidavit" in the deed records in accordance with the Probate Code.<sup>88</sup> Title insurance companies often rely upon these documents as proof of clear title when issuing policies for property sales.<sup>89</sup>

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<sup>86</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 116 (2009).

<sup>87</sup> Texas Probate Code, Chapter 3.

<sup>88</sup> Texas Probate Code, Chapter 6, Part 3.

<sup>89</sup> Roland Love and Richard L. Black, Texas Land Title Association. Workgroup discussion.

An additional mechanism that can be used to facilitate the transfer of real property interests is an “affidavit of heirship.” The purpose of this affidavit is to identify heirs to property and the amount of their respective interests. While it can be filed in the deed records as an accounting of the heirs with a legal interest in property, as provided in the affidavit, it does not represent a formal transfer. Although, as it relates to ownership, this document can be used as evidence in future proceedings. Texas statute allows for an affidavit or other instrument to be admissible as *prima facie* evidence of the facts stated therein if the affidavit is:

*...legally executed and acknowledged or sworn to before, and certified by, an officer authorized to take acknowledgments or oaths as applicable, or any judgment of a court of record, and if the affidavit or instrument has been of record for five years or more in the deed records of any county in this state in which such real or personal property is located at the time the suit is instituted, or in the deed records of any county of this state in which the decedent had his domicile or fixed place of residence at the time of his death.*<sup>90</sup>

In 1999, the 76th Texas Legislature promulgated a form for the affidavit of heirship through the adoption of Senate Bill 1106. See Chapter 52A, Probate Code, or Appendix D for form. Even so, since the affidavit cannot take the place of a will or official judgment by a court, title insurance companies do not always accept this document as enough proof of ownership to guarantee title.<sup>91</sup>

Evidence of a will, even if not adjudicated through the formal probate process, will assist in any future efforts to obtain clear title to real property, although additional legal resources may be necessary. If an individual dies without a will, specific state statute, commonly referred to as the rules of intestate succession, will govern the dissemination of assets and the distribution of

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<sup>90</sup> Texas Probate Code, Chapter 3, Section 52.

<sup>91</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 125 (2009).

estates to heirs.<sup>92</sup> See Appendix D for examples. In the simplest terms, the state of Texas, through this statute, determines the share of property each heir will receive, even if the decedent verbalized the division of assets prior to death. One of the largest barriers identified in the distribution of property in accordance with state statute is the need to identify, locate, and account for all existing heirs of the decedent, even those who may have moved out of the country or state, or whose location has been unknown for years. This will likely require an infusion of resources to find relatives and the need for legal assistance to cull through the statutory requirements related to the ownership interest to which each heir is entitled, if any of the heirs attempt to obtain clear title. In addition, during a probate proceeding, the court will appoint an attorney ad litem to represent the interests of all heirs unable to be located, adding to the cost needed to facilitate clear and secure title to real property in these instances.<sup>93</sup>

Many low-income families frequently forgo following formal probate and non-probate systems due to the financial resources needed to navigate the state's estate planning and inheritance laws.<sup>94</sup> This creates a vast amount of heirship property in rural and low-income communities. The term "heirship property" is used to describe the "undivided ownership interest of heirs, when there is non-compliance with recordation formalities."<sup>95</sup> This is a common term used in the southeastern United States to describe property that has been passed down from one generation to the next generation, often for periods covering many years. Since the transfer of property in this manner takes place outside of any formal action or probate proceeding, the ultimate determination of ownership is unknown and the clearing of title is impossible. The problems associated with heirship property are perpetuated as the property transfers from one generation to another, without clear title ever being established. Heirship transfers – never recorded in the official deed records – provide just one example of the ways property is transferred informally from person to person.

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<sup>92</sup> Texas Probate Code, Chapter 2.

<sup>93</sup> Staff, Texas State Bar. Workgroup discussion.

<sup>94</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 151 (2009).

<sup>95</sup> Malcolm A. Meyer, *Louisiana Heirship Property: Solutions for Establishing Record Title* (reprinted from: Louisiana Bar Journal, Vol. 55. No. 5, copyright 2008, published by the Louisiana State Bar Association).

An “informal” transfer is a process “in which the law, limited access to legal resources, and little third party oversight” leaves many individuals “with reduced legal protections and insecure, unmarketable title to their homes.”<sup>96</sup> Informal processes exist in the transfer of property to individuals or heirs, or through the initial purchase of a home. The most common methods used to purchase a home outside of the formal market are: installment contracts, lease-to-own purchases, or seller-financed transaction. A brief description of each is provided below:

- **Installment Contracts** - In a typical transaction, the buyer of the home will make an initial down payment toward the purchase price and then pay installments toward the remaining balance of the home for a specified period of time, usually for 15 to 30 years. These transactions, also known as a contract for deed, bond for deed, land contract, or an executory contract for conveyance, do not allow for the transfer of title to the property until the end of the contract period, although the purchaser is required to pay the costs associated with maintaining the property and taxes. One of biggest distinctions between installment contracts and typical mortgages is the length of time needed to secure clear title to the property and the amount of interest charged on the sales price, which can be as much as 14 percent. In addition, contracts typically include a “forfeiture clause,” allowing the seller to terminate the contract if the buyer defaults.<sup>97</sup>
- **Lease-to-own Agreements** - These transactions are similar to installment contracts in that the buyer is required to make a non-refundable down payment up front, followed by payments for a specified amount of time. One difference between lease-to-own agreements and installment contracts is the length of a lease-to-own contract is considerably shorter. It is usually only three to five years. At the end of the lease term, the buyer is eligible to purchase the home and obtain title if all the terms of the lease agreement have been met. The contracts under lease-to-own agreements can set the purchase price of the home at the onset or at the termination of the lease agreement,

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<sup>96</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 116-7 (2009).

<sup>97</sup> *Ibid.* 128-132.

whereby the purchaser of the home must then obtain third-party financing or financing from the seller to maintain residency in the home.<sup>98</sup>

- Seller-Financed Purchases - Unlike installment contracts or lease-to-own agreements, seller-financed transactions usually provide the purchaser with title to the property at the onset. These transactions involve a loan agreement with a specified amount of principal and interest payments made directly to the seller under the terms outlined in the agreement. Since seller-financed transactions usually do not involve a third-party lender, which will often require a title insurance policy, the level of formality in these transactions varies. Some seller-financed transactions involve the purchase of a title insurance policy by the buyer, ensuring clear title upon the purchase, while other purchases may be through informal hand written agreements.<sup>99</sup>

#### **Adverse Possession:**

Adverse possession is a legal doctrine that provides a mechanism for an individual to obtain title to real property from the actual owner by using the land openly for a sufficient period of time. Although the specific legal requirements necessary to adversely possess real property vary by jurisdiction, similar common law requirements exist throughout statute. Typically, an adverse possession must be: (1) continuous; (2) hostile to the interests of the true owner; (3) open and notorious so as to put the true owner on notice that the individual is in possession; (4) actual so that the individual acts in the same manner as a true owner of the property; and (5) exclusive so that the individual does not occupy the land concurrent with the true owner.<sup>100</sup>

The period of uninterrupted possession needed to adversely possess real property also varies by state statute - being as short as a few years or as long as 25 years or more – as governed by the statute of limitations. In Texas, the requirements related to adverse possession can be found in

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<sup>98</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 132-3 (2009).

<sup>99</sup> *Ibid.* p. 133.

<sup>100</sup> Cornell University Law School - Legal Information Institute. *Adverse Possession*. 19 August 2010.  
<[http://topics.law.cornell.edu/wex/adverse\\_possession](http://topics.law.cornell.edu/wex/adverse_possession)>



Subchapter B, Civil Practices and Remedies Code. This statute requires an affirmative act by the original owner to reclaim real property. Once an owner of property discovers the presence of a potential adverse possessor, the owner must bring suit to reclaim possession and establish legal ownership claim within a period prescribed by statute – either three, five, 10, or 25 years. The adverse possessor must then defend against the claim of the true owner as outlined under the specific requirements of each statute. For example, under the three-year statute, an adverse possession can only take place under title or color of title.<sup>101</sup> Comparatively, under the 10-year statute, an adverse possession can take place if the individual “cultivates, uses, or enjoys the property.”<sup>102</sup> Due to the minimal requirements placed on the adverse possessor to prove ownership under the 10-year statute of limitations, it is also known as a “bare” or “naked” possession.<sup>103</sup>

#### **Property Ownership and Disaster Assistance:**

Two federal programs are primarily used to provide assistance in areas impacted by natural disasters: Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds. The eligibility requirements of the CDBG and HOME programs, in the area of title or ownership interest, are different:

- The CDBG program requires that recipients of benefits meet certain income criteria and are confirmed as the "owners" and sole occupants.<sup>104</sup> States are given "maximum feasible deference" in the administration of CDBG funds. This provides flexibility in determining eligibility as it relates to ownership and title.

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<sup>101</sup> Texas Civil Practices and Remedies Code, Section 16.021(2).

<sup>102</sup> Section 16.026.

<sup>103</sup> Roland Love, Texas Land Title Association. Workgroup discussion.

<sup>104</sup> 24 C.F.R. § 570.3

- The HOME program is more specific, requiring that recipients of assistance be the fee title owner of the property or the holder of a 99-year lease.<sup>105</sup>

After the recent hurricanes, including Rita, Dolly, and Ike, the Texas Department of Housing and Community Affairs (TDHCA) was responsible for the distribution of housing related disaster assistance. The Texas Department of Rural Affairs, also played a role, tasked with providing assistance related to rebuilding infrastructure. In many instances, it became evident that the federal requirements regarding proof of ownership impeded the ability of individuals to receive needed disaster assistance. Information provided by TDHCA indicates that upwards of 30 percent to 40 percent of the applicants for disaster recovery assistance faced barriers presented by the inability to prove ownership or unclear title, thus making them ineligible for federal assistance through CDBG or HOME.<sup>106</sup> According to another study, approximately one out of five low-income households applying for hurricane recovery assistance had at least one title issue that presented a barrier when these individuals applied for hurricane disaster assistance.<sup>107</sup> These individuals faced delays in receiving assistance, and in the worse case scenarios – where the chain of title could not be proven or other issues could not be resolved – the applicant was ineligible for assistance. The 81st Texas Legislature recognized this problem and passed House Bill 2450 in 2009. This legislation provided an alternative method for individuals to prove sufficient ownership in property to receive disaster assistance through the less restrictive CDBG program. The Legislature was powerless to address the requirements of the HOME program, since these are outlined in federal, instead of state, law.

House Bill 2450 provided that sufficient ownership interest to receive assistance could be established by: (1) an affidavit summarizing the basis on which the applicant claimed to be the record title holder by either stating that no other person is entitled to claim ownership, or that each person who may be entitled to claim an ownership interest has given consent or cannot be

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<sup>105</sup> 24 C.F.R. § 92.2

<sup>106</sup> Senate Committee on Intergovernmental Relations hearing, October 19, 2010 (statement of Tim Irvine, Texas Department of Housing and Community Affairs).

<sup>107</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 118 (2009).

located; and (2) other documentation, including tax receipts, utility bills, or evidence of insurance indicating the applicant exercised ownership over the property at the time of the natural disaster. See Appendix D. While this legislation assisted with the distribution of CDBG funds to eligible recipients, it did not address all of the problems related to title and ownership. The more stringent federal requirements related to the HOME program, primarily used in rural Texas, still prohibit the distribution of these monies to individuals unable to prove fee simple title, severely limiting the use of these funds by the State of Texas.<sup>108</sup>

### **Issues**

While the passage of House Bill 2450 did provide a mechanism for many individuals to receive federal disaster assistance, who otherwise would have been prohibited by federal constraints, it did not address the long-term problems associated with heirship property in Texas. In addition, even the parameters established by the affidavit, promulgated by TDHCA in response to the legislation, were unattainable for many individuals needing assistance. The reasons given for the inability to comply with these requirements include: reasonable efforts to locate all co-heirs to the property proved impossible; co-heirs would not give consent to the application; or individuals were reluctant to attest that no other individuals were entitled to claim an ownership interest in the property.<sup>109</sup> In order to address these issues, the Senate Committee on Intergovernmental Relations (IGR) focused on both: (1) a short-term solution to allow individuals to receive funds for the purpose of improving property, including disaster assistance funds that are currently inaccessible to individuals unable to locate all existing heirs; and (2) a long-term mechanism to allow individuals, who have been maintaining and occupying property for a considerable length of time, to eventually be able to obtain clear title.

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<sup>108</sup> Senate Committee on Intergovernmental Relations hearing, October 19, 2010 (statement of Michael Gerber, Texas Department of Housing and Community Affairs).

<sup>109</sup> Written testimony submitted by Charles Wemple, Texas Association of Regional Council at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

### **Power of Attorney:**

Informal property ownership and transfers have prohibited or limited the access to the full benefits of homeownership for many individuals in Texas, such as obtaining financial assistance from banks or governmental entities.<sup>110</sup> Clear title delineates the individual(s) who possess the interests in real property through an official accounting in the property or deed records. Since most informal transfers of property take place outside of this system, creditors are unable to determine if the individual seeking assistance is the legitimate owner of the property. Most lenders and governmental entities will not provide funds or assistance unless they are able to secure the investment with a lien on the property, and without an actual accounting of the legitimate owner in the deed records, a loan cannot be secured. Therefore, informal homeowners are usually left without any means to borrow money for the repair of homes or access governmental assistance. Similar to other creditors, the State of Texas, through programs administered by TDHCA and other agencies, secures the investment of resources with a lien on the property for the amount of the assistance.

In regard to disaster assistance specifically, it was determined that approximately 18 percent of low-income individuals impacted by Hurricane Rita who went through the state's application process had clouded title; six percent had heirship issues that could not be resolved.<sup>111</sup> The actual number is likely higher given that many families with title issues did not submit an application or "dropped out" of the applicant pool knowing in advance that they would not qualify.<sup>112</sup> In addition, even those who did eventually receive disaster assistance faced delays in receiving the funds because many did not have the deed, title, or conventional documentation needed to prove ownership.<sup>113</sup> These impacts were particularly felt by very low-income, elderly, and rural citizens who could not even meet application requirements of House Bill 2450. One specific

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<sup>110</sup> Written testimony submitted by John Henneberger, Texas Low Income Housing Information Service at Senate Committee on Intergovernmental Relations hearing April 6, 2010. On file.

<sup>111</sup> Heather K. Way, Community Development Clinic, University of Texas School of Law. 14 September 2010. Email to the author.

<sup>112</sup> *Ibid.*

<sup>113</sup> Written testimony submitted by Charles Wemple, Houston-Galveston Area Council, at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

example provided to the committee involved the case of an 87-year old woman who had lived in a manufactured home owned by her 89-year old sister for 15 years. Since the sister refused to sign the required documentation, disaster assistance could not be provided.<sup>114</sup> This situation was not uncommon, especially for non-conventional homes. Evidence was provided to the committee that 95 percent of individuals who owned a manufactured home did not have title in their name.<sup>115</sup> Since the majority of funds for disaster assistance are provided by the federal government, Texas missed an opportunity to provide assistance to these individuals at minimal or no cost to state general revenue funds. This is not the fault of the state's housing agency or local sub-contractors, but instead, resulted from issues specific to the inability of individuals to receive funds for the benefit or repair of property.

In a larger context, individuals with clouded title do not have full ownership of real property, even if these individuals have been putting resources into the property, such as those needed for routine maintenance and upkeep, or for the payment of property taxes. In Texas, where a large number of low-income households who own their homes exist, many do not hold clear title.<sup>116</sup> This is particularly the case when individuals have purchased a home through an installment contract, lease-to-own agreement, or seller-financed transaction; or when property is subject to the state's rules of intestacy because parents or other senior relatives died without a will. Even if parents verbalized their intent to distribute property to one sibling, without a will, state law provides for the distribution of that property to all heirs. In these instances, one sibling may have resided in the home and paid taxes on the property for many years but still is not legally authorized or eligible to receive a loan or state assistance when repairs are needed because all of the other siblings must give legal consent since they are also considered co-tenant owners. In the

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<sup>114</sup> Written testimony submitted by Walter G. Diggles, Sr., Deep East Texas Council of Governments and Economic Development District, at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>115</sup> Written testimony submitted by Shaun Davis, South East Texas Regional Planning Commission, at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>116</sup> Written testimony submitted by John Henneberger, Texas Low Income Housing Information Service at Senate Committee on Intergovernmental Relations hearing April 6, 2010. On file.

context of property law, "co-tenants" are those individuals or heirs with any percentage interest in property.<sup>117</sup>

Informal homeowners, particularly those with co-tenant interests, face difficulties in securing resources to improve homes because the homeowner can only sell or secure a loan on their "fractionalized co-tenant interest."<sup>118</sup> The open market does not typically allow for transactions in this manner. Allowing for an individual, who has been residing in and maintaining property for a sufficient period of time, to act as a statutory agent or as an attorney-in-fact, for the sole purpose of preserving or improving the property, would give long-term homeowners, such as the one in the example, the ability to secure resources from lenders or governmental entities, including federal and state disaster assistance. This scenario would not eliminate or preclude other heirs or co-tenants from asserting property rights through judicial or other actions since there would be no official change related to the ownership of the real property. A power of attorney would only provide a mechanism for the state and other creditors to secure a lien against the cost of the repairs, and thereby provide informal homeowners with the necessary resources to improve property.

#### **Adverse Possession by Co-Tenant:**

Heirship property, which has been informally passed from one generation to the next absent a will or other formal document providing for the disposition of an estate, poses a significant policy concern. The potential for individuals to build wealth is largely determined by a "formal system of legitimized property rights," causing those who are "locked out" of this system to be in possession of "dead capital."<sup>119</sup> It is difficult to ascertain the exact amount of property in Texas that is unable to be transferred or sold in the open market because of heirship issues since this property, by the very nature of the informal transfer, is not recorded in official deed records or tracked through real estate sales. An estimate of the extent to which this property exists can

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<sup>117</sup> Roland Love, Texas Land Title Association. Workgroup discussion.

<sup>118</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 157 (2009).

<sup>119</sup> Malcolm A. Meyer, *Louisiana Heirship Property: Solutions for Establishing Record Title* (reprinted from: Louisiana Bar Journal, Vol. 55. No. 5, copyright 2008, published by the Louisiana State Bar Association).

be determined by reviewing the statistics provided in relation to federal disaster assistance funds. As previously noted, studies conducted after the recent hurricanes revealed one in five applicants for federal and state assistance had clouded title issues, including estimates that in some areas of the state, upwards of 40 percent of applicants did not have secure title. For practical purposes, this means that the property in question is essentially dead capital. Without corrective title work, the property cannot be legally sold or transferred. There are certain steps that individuals may be able to take to restore title, such as those provided in Chapter 3, Probate Code, but in many instances, extensive research, numerous corrective actions, and a large infusion of resources may be needed.

Situations commonly exist where one relative has continuously occupied property well after the death of a parent or senior relative but a significant number of other siblings, cousins, or family members, sometimes going back many generations, also have a percentage interest in the ownership of the property through the rules of intestacy ( i.e. the owner of record died without a will). For example:

A 55-year-old single woman is attempting to borrow on the home in which she has resided throughout her entire life. One of 10 children of her parents, she has never married and has no children herself. The last recorded deed for this home was to her parents in the 1950s. Her father died in the 1970s, and the mother died in the 1990s. She remained living with her parents, caring for them, with a promise from the parents that she would receive the home at their deaths. Neither parent left a will, nor was a deed recorded or executed by either of them in the daughter's favor. Five of her siblings are now dead, several of whom also died without wills and one of whom, a brother, had children who were adopted by his divorced wife's subsequent husband, name unknown. After living in the home for many years, the selling daughter had only her undivided one-tenth interest as an heir-at-law of her parents. Through legal work, such as gift-deeds from siblings and children of deceased siblings, she was able to increase her ownership to

almost 60 percent. The remaining 40 percent appears incapable of acquisition by her because the identities or whereabouts of the remaining owners cannot be determined.<sup>120</sup>

In this example, the other relatives are considered co-tenants to the property and have all the legal rights to the property afforded to the actual occupant. This is because existing probate law in Texas gives the same weight to the interests of an heir who has lived in and maintained the property, including paying taxes, as those heirs who live across the country, never visited the property, or provided any resources toward its upkeep.<sup>121</sup> The property discussed exemplifies the need to provide a mechanism for individuals, who have continuously and openly occupied property, including providing for the maintenance and payment taxes, to take an affirmative action that would ultimately provide them with secure title. Providing individuals, under these specific scenarios, with the ability to adversely possess against a co-tenant heir, who has shown no interest in the property and has taken no steps to protect that interest, would be such a mechanism.

Under existing Texas statute, an individual can adversely possess against another individual after 10 years by meeting minimal standards, but due to other provisions in Chapter 16, Civil Practices and Remedies Code, a co-tenant is prohibited from using this statute against another co-tenant. The 10-year statute requires a "peaceable and adverse possession;" whereby "peaceable" means that the occupancy of the property must be continuous and uninterrupted. In addition, as set forth in the common law doctrine of adverse possession, an action must be "hostile" to the interests of the owner. State statute in Texas conforms to this principle by stating that an adverse possession is "inconsistent with and is hostile to the claim of another person."<sup>122</sup> The courts have defined "hostile" to mean an assertion of a claim of ownership to the "exclusion" of all others.<sup>123</sup> The

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<sup>120</sup> Richard L. Black, Texas Land Title Association. 1 November 2010. Email to the author.

<sup>121</sup> Heather K. Way, *Informal Homeownership in the United States and the Law*, XXIX:113 St. Louis Univ. P.L.R. 159 (2009).

<sup>122</sup> Texas Civil Practices and Remedies Code, Section 16.021(1).

<sup>123</sup> See 802 S.W.2d 643, 645 (Tex. 1990), 213 S.W.3d 913, 914 (Tex. 2006), and 288 S.W.3d 557, 564 (Houston 2009).



end result of this statutory interpretation is a prohibition on individuals adversely possessing against co-tenants, except in very specific and unique circumstances, because the co-tenant occupant of the property must take affirmative acts of repudiation against non-possessory co-tenants.<sup>124</sup>

Specific additions to the existing adverse possession statute – to allow for an adverse possession against co-tenants, after meeting certain requirements – have the potential to address many long-term title issues faced by individuals. Additional requirements for the adverse possessor, such as a requirement to have paid taxes on the property, would prove a legitimate financial interest in property and provide additional assurances that the individual is acting in good faith. However, this would still not be enough to insure title to the property. There would also need to be an official attestation by the individual, such as the existing affidavit of heirship, that provides notice to all other potential heirs that the individual in possession is asserting exclusive property rights.

According to those in the title industry consulted on this charge, a combined affidavit of adverse possession filed together with an affidavit of heirship, would provide a mechanism (albeit after 15 years) for an individual to finally secure title to property.<sup>125</sup> Providing a mechanism in Texas that builds upon existing state statute related to the legal identification of heirs, such as the affidavit of heirship and adverse possession, would be consistent with actions taken in other states to address complicated title issues. See Appendix D-1. Although this is not an immediate solution to title issues, it would go a long way in addressing problems associated with heirship property. It could also serve to benefit the public good by eliminating dead assets, and providing a mechanism for heirship property to be transferred in the open market.

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<sup>124</sup> See 118 S.W.3d 742, 756 (Tex. 2003).

<sup>125</sup> Roland Love and Richard L. Black, Texas Land Title Association. Workgroup discussion.

## **Committee Hearings**

The Senate Committee on Intergovernmental Relations (IGR) took invited and public testimony on this charge on February 23, 2010; April 6, 2010; and October 19, 2010. In addition, a workgroup was formed to assist the committee with making interim recommendations. At each hearing, the committee heard examples of how individuals after Hurricanes Rita and Ike were unable to receive federal disaster assistance due to the inability to prove ownership or clear title. The committee was also provided information by those entities responsible for the distribution of disaster assistance, including the Texas Department of Housing and Community Affairs and the Association of Regional Councils, who provided the perspective of several councils of government charged with the local distribution of funds.

The workgroup formed to study the problems associated with property registration and disaster funds included numerous individuals and organizations responsible for working closely with individuals in need of assistance, including both in Texas and Louisiana. Through the workgroup process, the problems associated with heirship property surfaced. As a result, additional support was requested from individuals in Louisiana with expertise on heirship property issues, and those in the title industry with knowledge of Texas property and probate laws. Numerous meetings were held regarding both short- and long-term fixes to this problem. Ultimately the recommendations of the workgroup were presented to the Senate IGR Committee on October 19, 2010. In addition, in response to a request by members of the committee, TDHCA provided additional suggestions to improve the processing of future disaster assistance applications.

## **Recommendations**

**4.1** Proving ownership of real property is difficult for many individuals in need of state and federal disaster assistance. Changes should be made to Chapter 41, Texas Property Code, to provide a mechanism for those individuals in possession of real property and impacted by natural disasters to obtain a power of attorney for the purpose of receiving funds for the improvement of real property.

**4.2** The inability of individual heirs to obtain fee simple title to property renders vast amounts of land untransferable. Changes should be made to existing adverse possession statutes (Chapter 16, Texas Civil Practices and Remedies Code), which build upon existing practices and common real property law, by providing a mechanism for individuals to obtain insurable title by recording an Affidavit of Heirship (Section 52A, Texas Probate Code) and an Affidavit of Possession for an acceptable amount of time.

**4.3** The Senate Committee on Intergovernmental Relations will be submitting a request to the United States Senate and Congressional delegation from Texas requesting consideration of the following amendments to federal law:

- Change the federal requirement under the HOME Investment Partnerships Program (HOME) from a requirement of fee simple ownership and good and marketable title to a requirement that the person(s) requesting assistance be principal occupants.
- Change the federal requirement under the HOME program to accept criteria as identified in Section 2306.188, Texas Government Code, which allows someone to establish via affidavit that they are the principal occupants and have been acting as owners by providing supporting evidence such as tax statements or utility bills.

**4.4** Favorable consideration should be given to legislation that: (1) creates an expedited process for giving notice to potential claimants and establishes title by a suit to quiet title; (2) creates a rebuttable presumption of fee title for persons who establish that they are acting as owners by being the principal occupants and the taxpayers of record for a specified period, assuming they can establish that they attempted to reach any other owners and been unsuccessful; (3) provides for an annual publication, similar to the escheat report; or (4) creates a fund to compensate injured claimants.

**4.5** During the probate of any estate, dissolution of marriage, or other legal proceedings impacting title, it should be required that title records be updated in the county where sited, whether *pro se* or with legal representation. Letters testamentary should not be allowed after six

months unless the update has been done or a valid reason for not updating the title has been provided to the court.

**Charge 5: Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.**

## **Background**

A study of the reasons for, and the impacts of, hospitals directly hiring physicians requires a review of the vast history of legal and statutory guidelines that are collectively interpreted as a general prohibition on this practice in Texas. The legal doctrine, known as the corporate practice of medicine, "prohibits physicians from entering into partnerships, employee relationships, fee splitting, or other situations with non-physicians where the physicians' practice of medicine is in any way controlled or directed by, or fees are shared with, a non-physician."<sup>126</sup> This doctrine is seen as the general prohibition on the practice of medicine not only by corporations, but also by other entities, such as hospitals and non-physicians. It also prevents these entities from employing a physician to practice medicine on their behalf.

Licensing requirements for individuals practicing medicine arose from the need to protect individuals from unscrupulous individuals selling "miracle" cures and performing unsafe medical acts around the beginning of the 1900s. In Texas, the Medical Practice Act of 1901, created three different boards to oversee the practice of medicine in the state. These boards were consolidated into one, and became the Texas State Board of Medical Examiners in 1907.<sup>127</sup> The corporate practice of medicine doctrine can be traced back to 1933, when it was added as a prohibition in the American Medical Association Principles of Medical Ethics as a means to further protect the public from "quacks" and to strengthen the licensing requirements for medical practitioners.<sup>128</sup>

Since the 1930s, the landscape of the practice of medicine has dramatically changed. From the passage of the federal Health Management Organization (HMO) Act of 1973 to the recent Patient Protection and Affordable Care Act, signed into law March 23, 2010, many sweeping policy changes related to the practice of medicine and the reimbursement of healthcare providers

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<sup>126</sup> Senate Research Center, August 2008.

<sup>127</sup> *Ibid.*

<sup>128</sup> *Ibid.*

have been made. These new policies have directly and indirectly impacted the corporate practice of medicine doctrine across the country and in Texas.

### **Physician Employment in Texas:**

The Texas Medical Board (TMB) is responsible for the licensure, discipline, and education of physicians in this state, primarily through the enforcement of the Medical Practice Act, which is found in Chapters 151-167 of the Texas Occupations Code.<sup>129</sup> According to the TMB, there is no definition of the "corporate practice of medicine" in the Medical Practices Act, but several provisions that address this doctrine include:

- Section 151.055 - Authorizes certain independent contractor agreements between a hospital and physician providing services at the hospital, or at another health care facility owned or operated by the hospital, based on specific payment and billing criteria.
- Section 162.201 - Authorizes certain types of private nonprofit medical schools to retain all or part of the professional income generated by a physician for medical services if the physician is employed as a faculty member of the school and provides medical services as part of the physician's duties.
- Section 164.052(a)(13) - Authorizes disciplinary action against any licensee for impersonation of a licensed practitioner or permitting another to use his license to practice medicine.
- Section 164.052(a)(17) - Authorizes disciplinary action against a licensee for aiding or abetting, directly or indirectly, the unlicensed practice of medicine.
- Section 165.156 - Makes it unlawful for any individual, partnership, trust, association or corporation by use of any letters, words, or terms, as an affix on stationary or

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<sup>129</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Mari Robinson, Texas Medical Board).

advertisements or in any other manner, to indicate that the individual or entity is entitled to practice medicine if the individual or entity is not licenses to do so.

In addition to the current statutory provisions, courts have been asked to address the corporate practice of medicine doctrine on numerous occasions. Four significant cases in the last 50 years have added to the case law regarding the corporate practice of medicine, although the last of these cases was heard in 1986.<sup>130</sup> See Appendix E for a list and synopsis of these cases. The interpretation of case law, existing statutory provisions found in the Medical Practice Act, and Texas Attorney General Opinions, make up the state's policy regarding the corporate practice of medicine, and more specifically, the ability of hospitals to directly hire physicians.

While the existing body of law in Texas is seen as a general prohibition on corporations employing physicians, certain exceptions contained in the Medical Practice Act permit the direct employment of healthcare providers by certain entities. Chapter 162, Occupations Code, requires the Texas Medical Board to certify three types of health organizations that are authorized to contract with, or employ, physicians. These include:

- A health organization, including a nonprofit corporation, organized in the public interest, that is also (1) organized and incorporated solely by physicians licensed by the TMB; and (2) has as its directors and trustees persons who are licensed by the TMB and actively engaged in the practice of medicine.<sup>131</sup>
- A health organization authorized to contract with or employ physicians if it is organized as a nonprofit corporation and (1) organized and operated as a migrant, community, or homeless health center; or (2) is a federally qualified health center (FQHC).<sup>132</sup>

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<sup>130</sup> Written testimony submitted by Don McBeath, Texas Organization of Rural and Community Hospitals, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>131</sup> Texas Occupations Code, Section 162.001(b).

<sup>132</sup> Section 162.001(c).



- A health organization that is a hospital district and is (1) a public entity eligible to receive a grant related to a community or FQHC; (2) created in a county that with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003; and (3) is organized and operated as a migrant, community, or homeless health center, or FQHC.<sup>133</sup>

As a result of these and other provisions, numerous entities across the state currently have the statutory authority to employ physicians, including: private non-profit medical schools; school districts; non-profit healthcare organizations; FQHCs; migrant, community, or homeless health centers; and numerous hospital districts, which were granted the specific authority to employ healthcare providers in their enabling statute.<sup>134</sup> A list of these entities can also be found in Appendix E.

### **Issues**

While the public good continues to be served by policies that protect individuals from unscrupulous individuals practicing medicine without a license, certain entities, particularly hospitals and other larger healthcare provider organizations, will argue that in the context of current medical practices, the original intent of the prohibition against the corporate practice of medicine is outdated. Attempts were made during the 81st Legislative Session to change certain policies in Texas related to this doctrine, particularly those policies that prohibit the ability of hospitals to directly employ physicians. These efforts were through legislation granting specific authority to individual hospital districts through amendments to each district's enabling statute allowing for the direct employment of healthcare providers, and also through a broader policy shift, which would have enabled certain hospitals – based on a specific state or federal designation, or the population size of the county or city where the hospital was located – to directly employ healthcare providers. Since the Senate Committee on Intergovernmental

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<sup>133</sup> Texas Occupations Code, Section 162.001(c-4).

<sup>134</sup> Written testimony submitted by Don McBeath, Texas Organization of Rural and Community Hospitals, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

Relations (IGR) typically has jurisdiction over special purpose district legislation, the bills that impacted specific hospital districts were referred to this committee for consideration.

### **Employment of Physicians in Other States:**

In order to determine if hospitals in Texas should be permitted to directly hire physicians, it is necessary to review how other states regulate the practice of medicine. These policies vary from state to state, but currently, Texas and California are two of only five states that explicitly define or actively enforce some form of corporate practice prohibition.<sup>135</sup> Even in other states, the explicit ban on the corporate practice of medicine applies to only certain entities. A general review of the corporate practice doctrine and policies related to the employment of physicians across state jurisdictions is a complicated matter because, similar to Texas, many states govern employment practices through statute, case law or legal opinions, or by agency rule.<sup>136</sup>

Information provided to the Senate IGR Committee suggests different interpretations of these policies depending on who is providing the information. In general terms, the Texas Organization of Rural and Community Hospitals (TORCH) and the Texas Hospital Association (THA) interpret other states' policies in favor of physician employment, contending that only 18 states "prohibit corporate entities from engaging in the practice of medicine." These organizations note that "many of these states allow exceptions, such as employment by non-profit corporations, health maintenance organizations, or hospitals."<sup>137</sup> In stark contrast are statistics provided by the Texas Medical Association (TMA), which opposes changes to the state's corporate practice of medicine doctrine, citing that "14 states allow corporate practice of medicine, 13 state statutes are silent, and 24 states generally prohibit corporate practice."<sup>138</sup>

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<sup>135</sup> Senate Research Center, August 2008.

<sup>136</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Mari Robinson, Texas Medical Board).

<sup>137</sup> Written testimony submitted by Charles Bailey, Texas Hospital Association, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>138</sup> Written testimony submitted by Dr. Dan McCoy, Texas Medical Association, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

### **Impacts of Physician Employment:**

As it relates to the issue of physician employment, and the impacts of changes to allow for hospitals to directly hire physicians, long-standing opinions regarding the corporate practice of medicine play a role in the discussion. The Texas Medical Association, which has historically opposed any changes to the existing prohibition on the corporate practice of medicine, cautions that the impact of the direct employment of physicians has the potential to negatively interfere with the clinical autonomy of doctors. However, groups such as the Texas Hospital Association and the Texas Organization of Rural and Community Hospitals, which support additional statutory exceptions to corporate practice prohibitions, contend that allowing for the direct employment of physicians will have a positive impact on many communities by providing a means for hospitals to recruit and retain healthcare providers, especially in those areas of the state that historically experience problems attracting doctors.

### **Clinical Autonomy:**

It is difficult, if not impossible, to argue with TMA's statement that "nothing is more important, or personal, than protecting the sanctity of the patient-physician relationship."<sup>139</sup> In fact, even those who support allowing hospitals to directly hire physicians echoed this statement. However, there is considerable disagreement regarding the impact that direct employment will have on the patient-physician relationship and the clinical autonomy of doctors.

Throughout the testimony on this charge, and subsequent workgroup discussions, the proponents and opponents to direct employment voiced differing opinions relating to the impact of changes to the corporate practice of medicine doctrine. TMA suggested that, if allowed to employ physicians, hospital administrators would interfere with the medical decisions of doctors, such as requiring a certain number of admissions from the emergency department, or prohibiting referrals outside of the group of physicians employed by the hospital.<sup>140</sup> Hospital groups

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<sup>139</sup> Written testimony submitted by Dr. Dan McCoy, Texas Medical Association, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>140</sup> Letter from Texas Medical Association. 7 September 2010.

dismissed these claims as "unfounded fears" and categorically denied that a hospital administrator would become involved in this manner, as evidenced by the number of doctors that are already under employment relationships with hospitals and medical schools, and the small number of complaints received by the TMB to date.<sup>141</sup>

There are two enforcement mechanisms that may alleviate concerns related to impacts on the clinical autonomy of physicians: criminal prosecution and the authority granted to the Texas Medical Board. First, if a hospital administrator is directing a physician to make inappropriate medical decisions, that individual, under current law, can be prosecuted for practicing medicine without a license, punishable as a third degree felony.<sup>142</sup> Secondly, the board has the authority to intervene when an individual is practicing medicine without a license and can issue a "cease and desist" order in these instances. Testimony indicates that a situation in which a hospital administrator is interfering with the decisions made by a doctor is considered to be practicing medicine without a license, which gives the board the ability to intercede.<sup>143</sup> Since the Texas Medical Board is a complaint-driven agency, establishing a specific mechanism to allow for investigations on the behalf of doctors, under employment scenarios, is not without merit. A review by the TMB to determine whether additional statutory authority is needed to safeguard the patient-physician relationship when a hospital is the employer would ensure a balance of public policy for both doctors and hospitals.

### **Physician Recruitment:**

The rapid growth in the population of Texas has left many areas struggling to maintain an adequate level of healthcare providers. This is especially the case in many rural and underserved areas of the state, which cannot compete with larger urban and suburban centers in attracting physicians and other health providers. Several factors contribute to the shortage of physicians in

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<sup>141</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Don McBeath, Texas Organization of Rural and Community Hospitals).

<sup>142</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Mari Robinson, Texas Medical Board).

<sup>143</sup> *Ibid.*

these areas, such as the inability of physicians in rural areas to maintain a successful independent medical practice due to the higher percentage of Medicare, Medicaid, and uninsured patients, as well as a lower volume of patients.<sup>144</sup> In addition, the administrative aspects related to maintaining an independent practice have become increasingly complicated with the advent of health maintenance organizations, insurance billing, and government reimbursement systems. Many new physicians are seeking employment where they can receive a salary and focus on the delivery of healthcare to patients instead of the administrative, financial, and operational burdens associated with establishing and maintaining a medical office.<sup>145</sup> As a result, many rural hospitals report that they are receiving increasing requests to be an employee of the hospitals, as opposed to establishing a separate medical practice.<sup>146</sup> A 2008 survey of medical residents in primary care and internal medicine programs at Texas Tech University Health Sciences Center and University of Texas Medical Branch at Galveston – *Survey of Texas Primary Care Resident Physicians* – indicated that 75 percent of the medical residents surveyed would prefer to be an employee of a hospital or other health facility, with defined benefits, rather than operate their own practice.<sup>147</sup> Many hospitals assert that traditional recruitment programs in rural areas have only experienced marginal successes, and that hospitals in these areas will continue to experience physician shortages without the ability to directly employ healthcare providers.

While many hospitals cite the existing prohibitions on the corporate practice of medicine as one of the reasons for recruitment problems in rural areas, proponents of the doctrine suggest that hospitals already have a mechanism to address the shortage of physicians and the changing dynamics of the healthcare industry through the creation of a non-profit health organizations under Section 162.001(b), Occupations Code.<sup>148</sup> These entities, which are governed by a board

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<sup>144</sup> Don McBeath, Texas Organization of Rural and Community Hospitals. 27 October 2010. Email to the author.

<sup>145</sup> Written testimony submitted by Don McBeath, Texas Organization of Rural and Community Hospitals, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>146</sup> Don McBeath, Texas Organization of Rural and Community Hospitals. 27 October 2010. Email to the author.

<sup>147</sup> *Ibid.*

<sup>148</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Mr. Dan McCoy, Texas Medical Association).

of directors comprised of licensed physicians, are allowed to employ physicians. A non-profit health organization, commonly referred to as a 5.01(a) corporation, is used as a vehicle for many hospitals or other corporate entities to indirectly employ doctors.<sup>149</sup> According to the Texas Medical Association, hospitals are the chief organizing members of almost all 5.01(a) corporations in Texas, and therefore the creation of one of these entities creates a viable alternative to existing corporate practice of medicine prohibitions for hospitals struggling with the recruitment and retention of healthcare providers.<sup>150</sup>

Hospital groups will support this claim as it relates to larger hospitals groups, but they dispute the claim by doctor groups that the creation of a 5.01(a) corporation is possible in rural communities. The reasons given include: (1) the requirement that three doctors are required to form a 5.01(a) corporation; and (2) the fact that the economies of scale to address retirement plans and health insurance do not exist for smaller groups.<sup>151</sup> Simply put, many rural areas do not have three doctors available to meet the requirements to form an organization, which means the creation of a 5.01(a) corporation is not a viable option. In addition, one of the reasons many younger physicians express an interest in hospital employment is because they prefer the benefits offered by the hospital, as opposed to self-insuring or other options to retirement.<sup>152</sup> A corporation with only a few physicians would not provide this opportunity.

During the course of this interim study it became evident that there are many rural hospitals in Texas struggling to recruit healthcare providers, and that requests for statutory exceptions to the corporate practice of medicine prohibitions are just one tool needed to address the shortage. It also became apparent that a huge divide still exists between doctor and hospital groups regarding this doctrine. As a result, the committee asked the Texas Organization of Rural and Community

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<sup>149</sup> Written testimony submitted by Charles Bailey, Texas Hospital Association, Senate Committee on Intergovernmental Relations hearing May 13, 2010. On file.

<sup>150</sup> Letter from Texas Medical Association. 7 September 2010.

<sup>151</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of Don McBeath, Texas Organization of Rural and Community Hospitals).

<sup>152</sup> *Ibid.*

Hospitals to identify the types of facilities most in need, and where patient care has been jeopardized as a result of the inability to attract physicians. The committee has focused on two designations – critical access hospitals and sole community hospitals, defined below:

- A Critical Access Hospital (CAH) is a hospital deemed by the federal government to be critical to the health care system in a community. The designation entitles the hospitals to cost-based reimbursement from Medicare, which can be higher than regular reimbursement rates. The reimbursement that CAHs receive is intended to improve their financial performance and thereby reduce hospital closures. To qualify, the hospital must be in a rural community, must be at least 35 miles from another hospital, and must have 25 beds or less. They must also provide 24-hour emergency services.
- A Sole Community Hospital (SCH) is a hospital deemed by the federal government to be critical to the health care system in a community that does not otherwise qualify as a Critical Access Hospital. The designation also entitles the hospital to a higher reimbursement under Medicare. There are a number of complex variances in qualifications for a Sole Community Hospital, including an allowance for larger bed size and being closer than 35 miles to another hospital, but a SCH must still be the only hospital in a rural community.

While it remains to be determined if the Senate Committee on Intergovernmental Relations will again be referred legislation to amend the enabling statutes of hospitals districts, the corporate practice of medicine doctrine should be reviewed. The healthcare industry has evolved since this doctrine was put in place, and new exceptions to the existing prohibitions should be viewed in the context of need. As it relates to permitting hospitals to directly employ physicians, the committee determined that rural hospitals – particularly critical access hospitals and sole community hospitals – are facing the greatest difficulties recruiting physicians. Permitting these facilities to employ healthcare providers has the potential to positively impact the shortage of available doctors and increase the access to healthcare in the areas serviced by these hospitals.

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took both invited and public testimony on this charge on May 13, 2010, in Dallas. Numerous stakeholders, including the Texas Hospital Association, Texas Medical Association, and the Texas Organization of Rural and Community Hospitals, provided the committee with information regarding each organization's position on the ability of hospitals to employ physicians. In addition, the committee heard from some of the entities that have historically employed doctors, and about the impacts of this practice on the patient/physician relationship. A workgroup was formed to determine if a consensus could be reached between doctor and hospital groups. Comments regarding these discussions were provided by TMA and TORCH at a final hearing on October 19, 2010.

### **Recommendation**

**5.1** The inability to directly employ physicians is a barrier to the recruitment of healthcare providers for hospitals, particularly in rural and underserved areas. Favorable consideration should be given to legislative proposals that remove this obstacle or further expand current exceptions, thereby allowing physicians to be employees of rural hospitals, especially for facilities designated as critical access hospitals (42 U.S.C. Section 1395i-4) or sole community hospitals (42 U.S.C. Section 1395ww (d)(5)(D)(iii)). Any proposals should include appropriate safeguards to ensure that healthcare providers employed by hospitals are able to exercise independent medical judgment and that patient access to quality healthcare is maintained, including a review by the Texas Medical Board to determine if any additional rules or statutory changes should be adopted.



**Charge 6: Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.**

## **Background**

State policies regarding the authority to regulate development exist in both the incorporated and unincorporated areas to ensure that growth is orderly and consistent with the goals of local governments. These policies provide mechanisms through which local governments can plan for existing community needs, such as the provision of services for the health, safety, and welfare of citizens. In general terms, municipalities are provided with the authority necessary to regulate the use of land, such as zoning, within the corporate limits, and with other regulatory authority to ensure the orderly growth of the city in the surrounding area, known as the extraterritorial jurisdictions, or ETJ. By comparison, county governments have historically been granted lesser authority than municipal governments to regulate growth. Although, recent legislative proposals have increased the authority of county governments related to some aspects of development.

### **Municipal Authority:**

Municipal governments have the authority to regulate certain aspects of development both inside the city's corporate limits and in the extraterritorial jurisdiction, however, this authority is vastly different. The authority of municipalities within the corporate limits is outlined in Chapter 211, Texas Local Government Code. This authority includes zoning for "the purpose of promoting the public health, safety, morals, or general welfare and protecting and preserving places and areas of historical, cultural, or architectural importance or significance."<sup>153</sup> Unless specifically prohibited, a home-rule municipality can adopt any regulation or ordinance within the corporate limits under the authority provided by Chapter 211. Generally, zoning authority permits cities to regulate: (1) the height, number of stories, and size of buildings and other structures; (2) the percentage of a lot that may be occupied; (3) the size of yards, courts, and other open spaces; (4) population density; (5) the location and use of buildings, other structures, and land for business, industrial, residential, or other purposes; and (6) the pumping, extraction, and use of groundwater

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<sup>153</sup> Texas Local Government Code, Section 211.001.

by persons other than retail public utilities for the purpose of preventing the use or contact with groundwater that presents an actual or potential threat to human health.<sup>154</sup>

Municipal governments can expand their corporate limits through the use of annexation, which incorporates additional territory into a city's boundaries. The Municipal Annexation Act, provided in Chapter 42 and 43, Local Government Code, establishes the authority of cities to annex additional territory and creates the concept known as the ETJ.<sup>155</sup> In general terms, the ETJ is the unincorporated area contiguous to a city's boundaries. The extent of a municipality's ETJ is dependent on the "number of inhabitants" of the municipality, and not population.<sup>156</sup> The term "population" has specific connotations in statute and generally means information based upon federal census data. In 1994, the Texas Attorney General in an opinion letter stated that "a municipality may choose the method by which it will ascertain the boundaries of the ETJ;" allowing a municipality to determine the number of inhabitants by ordinance or order.<sup>157</sup> A municipality can expand their ETJ through annexations, at the request of landowners, or by an increase in the number of inhabitants.<sup>158</sup> Expansion of one city's ETJ is prohibited from including any areas that are already within the ETJ of another city, unless that other city expressly consents.<sup>159</sup> Information on the extent of a city's ETJ is provided in Figure 6.1.

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<sup>154</sup> Texas Local Government Code, Section 211.003.

<sup>155</sup> Senate Research Center, February 2010.

<sup>156</sup> *Ibid.*

<sup>157</sup> *Ibid.*

<sup>158</sup> Section 42.022.

<sup>159</sup> Senate Research Center, February 2010.

**Figure 6.1**

<b>Number of Inhabitants</b>	<b>Extent of Extraterritorial Jurisdiction</b>
Fewer than 5,000	One-half mile
5,000 - 24,999	One mile
25,000 - 49,999	Two miles
50,000 - 99,999	Three and one-half miles
100,000 or more	Five miles

*\* Senate Research Center - February 2010*

The authority of a municipality to regulate development within the ETJ is primarily found in Chapter 212, Local Government Code. This chapter authorizes a municipality to adopt rules regarding the regulation of plats and subdivisions in the ETJ through the adoption of an ordinance; however, this authority is specifically prohibited from regulating the use of any building or property or the size of any structure, essentially prohibiting zoning within an ETJ.<sup>160</sup> While there is some ambiguity in Chapter 212, Local Government Code, regarding the authority of a municipality to regulate new construction or improvements, existing case law and other provisions of code grant municipalities the authority to issue building permits, which grants city's some regulatory authority over these developments. Municipal governments view this authority as a mechanism to control development in areas that will likely be included in the corporate limits at some point in the future. As a municipality's population grows, it will expand areas within its existing ETJ into the city's corporate limits through annexation.

Chapter 43, Local Government Code outlines the policies and procedures related to municipal annexation in Texas, including requirements that a city adopt an annexation plan. These require cities to specifically identify those areas that may be subject to annexation three years after the plan is adopted.<sup>161</sup> In addition, Subchapter C, sets forth the procedures for the annexation of an

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<sup>160</sup> Texas Local Government Code, Sections 212.002 - 212.003.

<sup>161</sup> Senate Research Center, February 2010.

area, which include preparing an inventory of services provided in the areas proposed for annexation, such as police and fire protections, water and wastewater services, and road maintenance.<sup>162</sup> Municipalities must complete a service plan for extending those services to an annexed area within 10 months of the inventory date.<sup>163</sup> Municipalities are authorized to annex certain areas without the adoption of an annexation plan, such as those areas with less than 100 tracts of land on which residential dwellings are located. Also included in these exceptions are areas where the landowners of 50 percent of real property have requested annexations, or annexations only for limited purposes or through strategic partnerships.<sup>164</sup> Owners of land can enter into written annexation agreements with cities in order to prevent annexation and continue the extraterritorial status of the land for a period not to exceed 15 years. These provisions can be found in Subchapter G, Chapter 212, Local Government Code.

### **County Authority:**

The authority of county governments to regulate development is strictly limited to the unincorporated areas, except in those instances where counties are authorized to share in the regulation of subdivision plats with municipal governments in the ETJ. Currently, Chapter 232, Local Government Code, authorizes the commissioners court of a county by order to "adopt rules governing plats and subdivisions of land within the unincorporated area of the county to promote the health, safety, morals, or general welfare of the county and the safe, orderly, and healthful development of the unincorporated area of the county."<sup>165</sup> This chapter specifically prohibits county governments from regulating the use or size of a building, however; under very limited circumstances, some counties have been granted zoning authority around military bases or lakes under a separate section of code.<sup>166</sup> The authority of counties to regulate development also

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<sup>162</sup> Senate Research Center, February 2010.

<sup>163</sup> Texas Local Government Code, Section 43.053 and Section 43.056.

<sup>164</sup> Sections 43.061- 43.065.

<sup>165</sup> Section 232.101.

<sup>166</sup> See Chapter 231, for examples.

extends to the ability of a commissioners court to adopt an order that sets forth the requirements of a right-of-way, minimum standards for lot frontages, and reasonable building and set-back lines.<sup>167</sup> Additional authority regarding building and set-back lines is contained within Chapter 233, Local Government Code. County governments can establish, upon a finding that the general welfare will be promoted, building or set-back lines on public roads and can prohibit the location of a new buildings consistent with these regulations.<sup>168</sup>

While the majority of county authority is currently confined to the ability to establish guidelines prior to the commencement of development, county governments are provided authority to regulate some aspects related to construction. Chapter 242, Local Government Code, provides that county and city governments must enter into a written agreement identifying which entity is authorized to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction. This agreement is required to grant regulatory authority: (1) exclusively to the city; (2) exclusively to the county; (3) to both the city and county, as defined by areas designated geographically; or (4) jointly to both the city and county based on an interlocal agreement that establishes a consistent set of regulations and a single office in which to submit plats.<sup>169</sup> In addition to this authority, county governments in those counties with a population over 250,000 or adjacent to a county with a population over 250,000, can adopt a fire code and those rules necessary to enforce the fire code.<sup>170</sup> Counties can also authorize a sheriff to regulate alarm systems. During the 81st Legislative Session, the authority of counties regarding residential construction in the unincorporated areas was vastly increased. House Bill 2833 provided counties with the authority to ensure that new construction or improvements comply with the

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<sup>167</sup> Texas Local Government Code, Sections 232.102- 232.104.

<sup>168</sup> Section 233.032.

<sup>169</sup> Senate Research Center, February 2010.

<sup>170</sup> *Ibid.*

International Building Code.<sup>171</sup> Since this authority was granted, approximately 25 counties have adopted it.<sup>172</sup>

### **Issues**

In the past decade, numerous legislative proposals have been enacted to clarify the existing authority of municipal and county governments, particularly in the areas of annexation and authority within the extraterritorial jurisdiction. In addition, county governments have been provided with the additional authority necessary to regulate some aspects of growth, as subdivisions have moved outside of the incorporated areas of cities. The majority of these proposals have resulted from intensive legislative studies, such as interim committee recommendations. Although some individuals and associations have discussed specific proposals regarding regulatory authority, particular to certain areas of the state, the legislative reforms of the past decade have established a balanced patchwork of authority relating to land use. Significant legislative reforms related to the authority to regulate development, zoning, and annexation include:<sup>173</sup>

- Senate Bill 89, 76th Legislature, 1999 - This bill is considered to be the most significant revision of the Municipal Annexation Act of 1963 to date. It revised much of the municipal annexation process, set forth stringent procedures for municipalities looking to annex an area, and set time limitations on municipalities for the provision of services to annexed areas. This legislation is codified in Subchapter C and C-1 of Chapter 43, Local Government Code.<sup>174</sup>
- House Bill 1445, 77th Legislature, 2001 - This bill settled many of the existing problems related to the overlap in authority between city and county governments in the

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<sup>171</sup> Texas Local Government Code, Chapter 233, Subchapter F.

<sup>172</sup> Meeting with Texas Association of Builders and County Judges and Commissions Association of Texas. 17 September 2010.

<sup>173</sup> Copies of these bills are provided in Appendix F.

<sup>174</sup> Senate Research Center, February 2010.

extraterritorial jurisdiction. It set forth the requirements, as previously discussed, for city and county government to provide one set of regulations for subdivision plans and related permits. This legislation was codified in Chapter 242, Local Government Code.<sup>175</sup>

- Senate Bill 1867, 80th Legislature, 2007 - This legislation removed existing population brackets found in Subchapter E, Chapter 232, Local Government Code, related to county development and provided a uniform standard regarding subdivision plats and thoroughfare planning. It expanded provisions related to infrastructure planning to all counties in Texas, granting them broader authority to plan for growth and regulate development in the unincorporated areas.<sup>176</sup>

Several bills have been filed during each session of the past decade to grant additional authority relating to growth and development for specific areas of the state, particularly those in fast-growing unincorporated areas. These have sought to add additional authority for some county governments to regulate certain nuisances, such as noise, or to regulate the use of land for certain purposes. Additionally, some adjustments to the existing statutory provisions related to annexation have been filed. Since the existing statutes related to annexation, zoning, and regulatory authority have been revisited in the past decade, the legislature should exercise caution in reviewing proposals, noting that sweeping changes to a relatively new set of standards has the potential to upset what is seen by most stakeholders as a delicate, yet appropriate, balance between government authority and private property rights.

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took invited testimony on this charge on February 23, 2010, and public testimony on May 13, 2010. The committee heard testimony from interested stakeholders, such as the Texas Association of Realtors, Texas Association of Builders, Texas Farm Bureau, Texas Municipal League, and the Conference of Urban Counties.

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<sup>175</sup> Senate Research Center, February 2010.

<sup>176</sup> *Ibid.*



This testimony primarily reinforced the view that existing state policies regarding growth and development are working well, with a few concerns expressed regarding specific issues in populated counties and with agricultural land. At the subsequent hearing, held on May 13, 2010, few individuals were present to provide public testimony.

### **Recommendation**

**6.1** Recent statutory changes, including Senate Bill 89 (76th Legislature), House Bill 1445 (77th Legislature), and Senate Bill 1867 (80th Legislature) have created balanced policies related to annexation, zoning, and authority in the extraterritorial jurisdiction (ETJ) and unincorporated areas. Any concerns regarding development and growth are localized and do not warrant a shift in state policy at this time.

**Charge 7: Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.**

## **Background**

In an effort to achieve efficiency through economies of scale, local governments throughout the history of the United States have looked to consolidate governmental services and functions. Consolidation can be either structural, whereby local governments, often counties and cities, merge to create one single entity that assumes the responsibilities of all governmental units, sometimes referred to as a metro-government. The other, more common form of consolidation is functional. Functional consolidation happens when one or more local governments work together to provide services or jointly administer government programs.

### **Structural Consolidation:**

The term "metropolitan" or "metro" government is often used to refer to the government of a metropolitan area as a whole, as opposed to the governance by individual municipalities.<sup>177</sup> It is also used to describe the formal merger of one or more local governments into one unit. The most common consolidation proposed is between a city and a county. The rationales for the merger of local governments is to: (1) produce cost savings; (2) increase efficiency; (3) improve the resource base; (4) enhance planning capacity; and (5) improve accountability.<sup>178</sup> The United States Census Bureau reports 33 city-county consolidations. This represents a minimal amount of consolidated governments, given the vast number of cities and counties across the country. Most attempts at consolidating city and county governments have failed to gain voter approval. Between 1921 and 1996, there were 132 attempts to consolidate local governments; voters passed only 22 of these proposed referendums.<sup>179</sup>

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<sup>177</sup> Encyclopedia.com. *Metro-government*. 15 April 2010 <[http://www.encyclopedia.com/topic/Metropolitan\\_government.aspx](http://www.encyclopedia.com/topic/Metropolitan_government.aspx)>

<sup>178</sup> National League of Cities. *Cities 101: City-county consolidations*. 15 April 2010 <[http://www.nlc.org/about\\_cities/cities\\_101/166.aspx](http://www.nlc.org/about_cities/cities_101/166.aspx)>

<sup>179</sup> Hardy, Pat. *The Consolidation of City and County Governments: A Look at the History and Outcome-Based Research of These Efforts*. Municipal Technical Advisory Service. University of Tennessee. 2005 <[http://www.mtas.utk.edu/knowledgebase.nsf/a50db8b131a4d94e85256e46000d6fce/7095fcf640f20f2185256fe0005c3547/\\$FILE/Consolidation%20of%20City%20and%20County%20Governments.pdf](http://www.mtas.utk.edu/knowledgebase.nsf/a50db8b131a4d94e85256e46000d6fce/7095fcf640f20f2185256fe0005c3547/$FILE/Consolidation%20of%20City%20and%20County%20Governments.pdf)>

Prior to 1969, the Texas Constitution allowed for the structural consolidation between a home-rule municipality and a county. This provision authorized the adoption of a referendum by voters, requiring passage in both the incorporated and unincorporated areas prior to taking effect. One attempt at consolidation was made in 1934 in El Paso County but failed to receive the necessary voter approval.<sup>180</sup> More recently, legislation was proposed in 1997 regarding Bexar County and the City of San Antonio, and in 2005 regarding El Paso County and the City of El Paso. Neither attempt was successful. Any future efforts to allow for a city-county consolidation in Texas would require an amendment to the Texas Constitution since the provision, which previously allowed for mergers, has now been repealed.<sup>181</sup>

### **Functional Consolidation:**

Much more common than the formal merger of one or more local governments into a single entity is the voluntary merger of government services and programs, known as functional consolidation. Areas where local governments have combined functions to achieve greater efficiency include: law enforcement, fire protection and emergency management; infrastructure and transportation planning; records management, purchasing, and human resources training; drainage, water, and wastewater management; public health services; and parks, libraries, and other recreational services.<sup>182</sup>

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<sup>180</sup> Written testimony submitted by Jim Allison, County Judges Commissioners Association of Texas, at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>181</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Jim Allison, County Judges Commissioners Association of Texas).

<sup>182</sup> *Ibid.*

In an effort to increase awareness and recognition of local government cooperation, the Texas Municipal League and the Texas Association of Counties annually provide awards to those local governments who have jointly undertaken projects and innovatively provided governmental services. A review of past award winners serves as an example to local governments in other areas of the state on how to increase efficiency and cost savings.<sup>183</sup> These include:

- City of Somerville and Burleson County - Operate a health resource center through joint efforts of the city, county, and school district.
- City of Weatherford and Parker County - Provide additional law enforcement through the city-county special crimes unit and jointly operate an animal shelter.
- Titus County and the City of Mount Pleasant - Created a task force to team with the Texas Department of Transportation to fund road projects.
- Williamson County and the cities of Cedar Park, Hutto, Leander, and Round Rock - Operate a countywide animal shelter instead of multiple facilities.
- Bexar County and the City of San Antonio - Provide preventative health care services through the merger of two previous hospital districts.
- Dallas County and the City of Irving - Joined with other local providers to create a public health center.
- Wise County and the cities of Bridgeport and Decatur - Opened a branch campus of Weatherford College.

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<sup>183</sup> Additional information on these projects can be found in Appendix G or [www.tml.org/city\\_county\\_award.asp](http://www.tml.org/city_county_award.asp).

- Angelina County and the City of Lufkin - Collaborated to build a facility to house evacuees from disaster.

The Senate Committee on Intergovernmental Relations (IGR) was also provided with information regarding consolidation efforts recently undertaken by El Paso County, under an initiative proposed by County Commissioner Veronica Escobar. In 2008, and again in 2009, taxing entities in El Paso County joined together with a stated goal of bringing "all appropriate government professionals together in separate work sessions, lead by state experts, which will concentrate of developing short and long-term strategies for shared services."<sup>184</sup> Key topics under consideration included purchasing, information technology, and facilities planning. While many of the projects under consideration are still ongoing, one of the greatest benefits of the summit was to bring all interested parties together for the purposes of identifying overlapping services and to begin discussions on how to improve efficiency.<sup>185</sup>

The Texas Legislature has also recognized that combining the provision of certain services has the potential to improve efficiency and accountability by mandating that local governments jointly provide certain functions. Examples include the requirement that county governments collect property taxes on behalf of other taxing entities, at the request of the taxing entity; and the requirement that cities and counties provide one set of regulations for subdivision plats within the extraterritorial jurisdiction of cities.<sup>186</sup> In addition, state statute encourages local governments to contract with one another to increase efficiency and reduce the burden to taxpayers.

Chapter 791, Texas Government Code (Interlocal Cooperation Contracts) governs the ability of local governments to enter into contracts with other entities. The purpose of this chapter is "to

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<sup>184</sup> El Paso County. *2008 Shared Services Summit: Executive Summary*. 15 April 2010  
<<http://www.epcounty.com/comm2/SharedServicesInitiative.htm>>

<sup>185</sup> Senate Committee on Intergovernmental Relations hearing May 13, 2010 (statement of Commissioner Veronica Escobar, El Paso County).

<sup>186</sup> Texas Tax Code, Section 6.22, and Texas Local Government Code, Chapter 242.

increase the efficiency and effectiveness of local governments by authorizing them to contract, to the greatest possible extent, with one another and with agencies of the state."<sup>187</sup> Subchapter B (General Interlocal Contracting Authority) outlines the terms under which a local government may contract with other local governments to perform governmental services and functions. Contracts entered into under this authority, in addition to other requirements, must: (1) be authorized by each governing body that is a party to the contract; (2) specify that the government functions or services performed under the contract must be payable from current revenues; and (3) be renewed annually.<sup>188</sup>

### **Issues**

Specific provisions found in Chapter 791, Government Code and Article 11, Section 7, Texas Constitution have limited the ability of local governments to enter into agreements to jointly provide governmental services. While the Texas Legislature has encouraged municipalities and counties to jointly provide services through adoption of the Interlocal Cooperation Act, specific provisions found in this statute have limited its use by local governments. This is because Section 791.011(f), Government Code contains a requirement that contracts must be "renewed annually," causing consternation for many local governments that one party of the contract may back out of agreement after one-year, causing the other entity to have to solely fund the project.<sup>189</sup> Numerous local governments do not want to take any of the risks associated with short-term contracts, particularly when the construction of infrastructure of facilities is needed to jointly administer the government service or program. As a result, many cities and counties only use this statute to provide for the financing of short-term projects and do not use it to undertake long-term projects, such as jointly constructing infrastructure and other facilities.

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<sup>187</sup> Texas Government Code, Section 791.001.

<sup>188</sup> *Ibid.*

<sup>189</sup> Jim Allison, County Judges and Commissioners Association of Texas. Workgroup discussion.

Further limiting the use of Chapter 791, Government Code, are specific constitutional provisions regarding the issuance of public debt by local governments. Article 11, Section 7 of the Texas Constitution contains a provision that states:

*[N]o debt for any purpose shall ever be incurred in any manner by any city or county unless provision is made, at the time of creating the same, for levying and collecting a sufficient tax to pay the interest thereon and provide at least two per cent (2%) as a sinking fund; and the condemnation of the right of way for the erection of such works shall be fully provided for.*

While this provision is not a specific limitation on city or county indebtedness, it is an indirect limitation on the creation of local debts and a limitation on the power of the legislature to authorize local governments to create debts.<sup>190</sup> This is because it requires that at the time a local government assumes any debt, it must include a tax levy in an amount sufficient to meet interest requirements and create a sinking fund equal to at least two percent of the indebtedness. In general, this provision means that any debt must include the levy of a tax. Further guidelines on the amount of indebtedness a local government is authorized to assume is found in Article 12, Section 19 of the Texas Constitution. It provides that a county "may assume or incur a financial obligation without an interest and sinking fund if it is payable within current revenues." There have been numerous court rulings and opinions requested of the Texas Attorney General as to what revenue sources constitute a current revenue for the purpose of determining if "unconstitutional debt" is being issued.<sup>191</sup>

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<sup>190</sup> Written testimony submitted by Jim Allison, County Judges Commissioners Association of Texas, at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>191</sup> See Texas Attorney General Opinion JC-0582, or Texas Attorney General Opinion GA-0652.



An additional discussion regarding the definition of "current revenues" can be found in Chapter 271, Local Government Code (Purchasing and Contracting Authority of Municipalities, Counties and Certain Other Local Governments). Section 271.903, Local Government Code, provides:

*[I]f a contract for the acquisition, including lease, of real or personal property retains to the governing body of a local government the continuing right to terminate at the expiration of each budget period of the local government during the term of the contract, is conditioned on a best efforts attempt by the governing body to obtain and appropriate funds for payment of the contract, or contains both the continuing right to terminate and the best efforts conditions, the contract is a commitment of the local government's current revenues only.*

If a contract is executed under these limitations, it would not violate the constitutional provision found in Article 11, Section 7, but to the extent a local government enters into a contract and does not contemplate paying any financial obligations associated with the contract within the same fiscal year, this is considered to be "debt" for the purposes of the constitutional limitation.<sup>192</sup> The common interpretation of these provisions is a limitation on the amount of debt a local government can assume, even if contracting with another local government for the provision of services.

While the need and desire to consolidate services and programs has been expressed by numerous cities and counties in Texas, existing statutory and constitutional provisions have impeded the ability of these local governments to jointly administer programs. Many of these provisions, identified as a result of interim deliberations, limit the ability of local governments to consolidate services and programs because they either limit the term of the contract to a short amount of time or limit the amount of debt a city or county can assume in order to fund the costs of projects. Changes to these provisions – allowing for multi-year contracts and removing the limitation on

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<sup>192</sup> Texas Attorney General Opinion GA-0652.

the issuance of public debt for cities and counties for certain purposes – have the potential to increase the effectiveness and efficiency of local governments by allowing for greater functional consolidation of city and county services.

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took invited and public testimony regarding this charge at hearings on February 23, 2010; May 13, 2010; and October 23, 2010. At the initial hearing in February, testimony was provided on the differences between structural and functional consolidation, as well as the existing impediments on the consolidation of services and programs. At a subsequent hearing in Dallas, the committee heard from several local governments regarding consolidation efforts, including several winners of the City/County Cooperation Award provided jointly by the Texas Municipal League and the Texas Association of Counties. Following this hearing, a workgroup was created to identify existing barriers to cooperation efforts and to make recommendations on ways the state can assist local government consolidations.

The workgroup for this charge had numerous meetings. Representatives from city and county associations and locally-elected officials participated in these discussions. As a result of the workgroup, the constitutional and statutory barriers to consolidation efforts discussed in this report were identified. At the final Senate IGR Committee hearing, on October 19, 2010, in Austin, representatives of the workgroup presented the committee with proposed changes to the Texas Constitution and state statute that would assist local governments with consolidation efforts.

## **Recommendations**

7.1 Existing constitutional and statutory limitations impede the ability of local governments to achieve cost savings and reduce the duplication of services through consolidation. Support for the functional consolidation of services by cities and counties can be achieved by alleviating these restrictions. Specifically, the 82nd Texas Legislature should approve the following constitutional and statutory changes:

- Changes to Article 11, Section 7, Texas Constitution, to clarify that debt resulting from contracts entered into between two or more local governments under Chapter 791, Texas Government Code, which is not a result of pledged bonds or other similar obligations, would not require a sinking fund and a tax levy.
- Changes to Chapter 791, Texas Government Code, to clarify that a local government can enter into contracts with one or more local governments for a term longer than one year.

**Charge 8: Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.**

## MUNICIPAL MANAGEMENT DISTRICTS

### **Background**

The creation of special purpose districts in Texas dates from the beginning of the 20th Century. In 1904, the passage of Article 3, Section 52 of the Texas Constitution authorized certain special districts for limited purposes.<sup>193</sup> Additional authority was granted in 1917, with the passage of Article 16, Section 59 of the Texas Constitution, authorizing the creation of conservation and reclamation districts.<sup>194</sup> This amendment also granted the Texas Legislature the ability to authorize "such indebtedness as may be necessary to provide all improvements and maintenance, including the issuance of bonds and the levying of taxes" for such districts but required that any indebtedness be first submitted and adopted by the qualified voters of the district.<sup>195</sup> While the first statutes pertaining to the creation of special districts primarily addressed water issues, the use of districts today is for myriad purposes. Over forty different statutes exist governing the creation, powers and duties, or other grants of authority for a special purpose district.<sup>196</sup>

The first municipal management district (MMD) in Texas was not called as such. The district arose in the 1980s from the desire of businesses in the Houston area to protect investments in property from the impacts of foreclosure, and to allow for a mechanism to bring new property owners in the area into the existing property association.<sup>197</sup> As a result, House Bill 2565, was passed by the 70th Texas Legislature, creating Harris County Improvement District No. 1. In 1991, Chapter 375, Texas Local Government Code, relating to municipal management districts was codified.<sup>198</sup>

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<sup>193</sup> Association of Water Board Directors, *Water District Directors' Handbook*, (January 2010), p. 3.

<sup>194</sup> *Ibid.*

<sup>195</sup> Texas Constitution, Article XVI, Section 59

<sup>196</sup> Texas Senate Research Center. *Invisible Government: Special Purpose Districts in Texas*. October 2008.

<sup>197</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Robert Randolph).

<sup>198</sup> Texas Local Government Code, Chapter 375, codified by Sec. 13.05(a), Chapter 16 (Senate Bill 232), Acts of the 72nd Legislature, Regular Session, 1991, which codified the previous session's enactment, Chapter 1056 (House Bill 3160), Acts of the 71st Legislature, Regular Session, 1989.

Chapter 375, Local Government Code, provides the purpose, general provisions, authority, and administrative practices of municipal management districts and states that:

*The creation of each district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in the commercial areas of municipalities and metropolitan areas of this state.*<sup>199</sup>

MMDs are created to: (1) further the development and diversification of the district's economy, including eliminating unemployment or underemployment, and developing or expanding transportation or commerce; (2) promote the health, safety, and general welfare of the residents, employers, or consumers of the district; (3) provide funding to preserve or enhance the district's economic health; and (4) improve transportation systems and pedestrian facilities, including easing congestion within the district or landscaping and the development of areas to enhance the areas scenic or aesthetic beauty.<sup>200</sup>

Under Chapter 375, Local Government Code, municipal management districts have the rights, powers, privileges, authority, and functions conferred by the general law applicable to conservation and reclamation districts, including Chapter 54, Water Code; and of road districts and road utility districts, including the power to levy ad valorem taxes for the construction, maintenance, and operation of macadamized, graveled, or paved roads and turnpikes, or in aid thereof, subject to the constitutional limitations on indebtedness for roads.<sup>201</sup> MMDs are also authorized to contract and manage affairs in accordance with Chapter 54, Water Code and have the powers conferred by Chapter 365 and Chapter 441, Transportation Code, and the additional rights, privileges, authority, and functions contained in those chapters.<sup>202</sup>

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<sup>199</sup> Texas Local Government Code, Section 375.001.

<sup>200</sup> *Ibid.*

<sup>201</sup> Section 375.091.

<sup>202</sup> *Ibid.*

Some of the specific powers granted under this statute include: perpetual succession; the ability to sue or be sued; incur debt or other liabilities; hold, manage, or dispose of property; construct or own improvements inside or outside the district; and enter into contracts for the joint use or lease of facilities.<sup>203</sup> Districts are also allowed to alter public roadways under specific parameters and with municipal consent.<sup>204</sup> Specific powers of the board of a district include, but are not limited to, the ability to employ individuals, establish accounting systems, and adopt and enforce rules related to the administration of the district.<sup>205</sup> Chapter 375 also provides MMDs with the authority to issue revenue and general revenue bonds funded by assessments, taxes, or impact fees and outlines the specific guidelines for the imposition, administration, and collection of revenue from these sources.<sup>206</sup> Districts are required to use competitive bidding and to attempt to stimulate the growth of disadvantaged business.<sup>207</sup> Municipal management districts do not have eminent domain authority.<sup>208</sup>

### **Issues**

While municipal management districts may be created through petition at the Texas Commission on Environmental Quality (TCEQ) in a manner similar to municipal utility districts, to date only one district has been created in this manner.<sup>209</sup> MMDs are more commonly created through special law. A "special law" district has either been created or altered by an act of the Texas Legislature. Therefore, the authority granted to each individual MMD is determined by the language contained in the bill that creates it, which varies to a large extent on the purpose for the creation of the district and its location. A review of Chapter 375, Local Government Code,

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<sup>203</sup> Texas Local Government Code, Section 375.092.

<sup>204</sup> Section 375.093.

<sup>205</sup> Section 375.096.

<sup>206</sup> Section 375.201.

<sup>207</sup> Section 375.221 and 375.222.

<sup>208</sup> Section 375.094.

<sup>209</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Robert Randolph).

provides a limited amount of information regarding the actual powers commonly granted to MMDs in recent sessions.

As municipal management districts have evolved in purpose and use, additional statutory authority has been granted to a few MMDs through special law bills in one session, and then carried over to the majority of the special legislation filed in subsequent sessions, resulting in an increase in the overall authority granted to these districts. See Appendix H for examples. In addition, the authority granted to municipal management districts through individual bills is provided through statutory reference, instead of by a specific description of the authority, which requires the review of multiple sections of statute to determine the specific powers granted to each district. The evolution in the use of municipal management districts and the increased authority granted to districts for these purposes warrants an in-depth study. Additionally, the variation in the language used in special law MMD bills, specifically related to powers and duties, prohibits an effective review of these districts by the Senate Committee on Intergovernmental Relations (IGR) and the Texas Legislature. The use of municipal management districts as a tool for development has increased significantly over the past decade. As a result, the number of MMD special law bills has increased every session, dramatically increasing the workload of committee to review bills under consideration. See Figure 8.1.

**Figure 8.1**

<b>Title Session Workload Relating to Municipal Management District (MMD) Legislation</b>			
<b>Session</b>	<b>Number of Drafts Requested from the Legislative Council Creating MMD's</b>	<b>Number of Bills Filed to Create MMD's</b>	<b>Number of Enrolled Bills Creating MMD's</b>
76R	4	9	5
77R	21	14	8
78R	21	25	14
79R	18	33	13
80R	20	22	11
81R	55	60	28

*\* Texas Legislative Council - October 2010*



Standardization of the common language and format used in MMD legislation would provide for a more effective review of these districts by the appropriate committees in the Senate and House of Representatives, and the Legislature. While the development of a template for municipal management districts would result in the optimal uniformity of districts, it is important to note that MMDs are often created in consultation with local governments, so a complete standardization of the language used in management district creation bills, similar to what was achieved through the creation of the municipal utility district template prior to the 81st Legislative Session, would be unworkable.

Many cities and counties that work with the individuals seeking to create a management district require specific parameters – such as development agreements or governmental consent prior to beginning improvements – to be included in the legislative language as a condition to supporting the creation of the district. Other local governments, where municipal management districts have been more commonly used in the past decade, do not require specific language regarding the operations of districts. In addition, each management district bill may contain different mechanisms for the appointment of MMD board members and board member qualifications, depending on what is needed to conform management of the district to the particular governmental and local requirements. Given these obstacles, the authority, powers, and duties of municipal management districts should be the focus of any standardization efforts. A review to determine the common provisions used in municipal management districts, and whether this authority is appropriate to accomplish the purposes of the district, would also ensure the appropriate level of legislative oversight. Specific information regarding the provisions found in MMD creation legislation can be found in Appendix H-1.

Some of the common authority granted municipal management districts and the types of improvements and projects districts have been authorized to undertake in the past decade is listed below, as well as examples of the use of these powers by existing districts.<sup>210</sup>

- **Eligibility to be included in a tax increment reinvestment zone, tax abatement reinvestment zone, enterprise zone, or an industrial district.** Allows land in the district to be included in any existing district created by a city or county. Districts have used this authority and the financing tools it provides to support projects related to neighborhood revitalization, including using the funding for drainage, detention, and green space development.
- **Ability to exercise the powers of a development corporation.** This authority allows local governments to partner with MMDs to provide one entity responsible for spearheading economic development efforts, similar to a Type B Development Corporation (Chapter 505, Local Government Code). Sixty districts currently have this authority and the specific uses vary.
- **Authority to create a non-profit corporation.** Cities, counties, and certain types of districts can create a special type of nonprofit corporation, known as a "local government corporation" under Subchapter D, Chapter 431, Transportation Code. This provision gives an MMD the same authority. The primary purpose of these non-profit corporations is to apply for grants and to accept donations to help finance district projects.
- **Ability to accept a gift, grant, or loan; or make agreements.** Provides authority under the Interlocal Cooperation Act (Chapter 791, Government Code), the purpose of which is to increase efficiency and effectiveness by authorizing local governments to contract, to the greatest possible extent, with one another and with agencies of the state. Citing this chapter allows districts to enter into contracts with other political subdivisions.

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<sup>210</sup> Information regarding common MMD provisions and examples provided through workgroup discussions.

- **Authority to contract with law enforcement.** Almost all MMDs, particularly those serving major activity centers or revitalizing neighborhoods, have a program for security and public safety. Most contract with a city or county or directly with off-duty, licensed peace officers.
- **Ability to join and pay dues to a charitable or nonprofit organization.** Many MMDs want to join local chambers of commerce or regional chambers of commerce to further initiatives for business development and support.
- **Authority to engage in economic development programs.** MMDs have provided small business assistance grants to encourage the location and development of entertainment-focused businesses in the district, grants to residential development to improve safety, assistance to numerous non-profits, and large scale infusions of funding to health facilities. This authority is that same as that granted municipalities under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code.
- **Authority to offer tax and assessment abatements.** Granting an abatement of district assessments or taxes is used to incentivize businesses and economic development within municipal management districts, particularly when a district works in cooperation with local governments.
- **Authority to acquire, construct, own, operate, and maintain a public transit system or parking facilities.** Districts have used this authority to develop termini for mass transit within districts, provide infrastructure, such as parking garages, and collaborate with local governments and transit agencies on park and ride facilities.

The Senate IGR Committee recognizes that language authorizing the actions and projects provided has commonly been used in municipal management district legislation. This authority has not been used to date beyond the scope of the legislative purpose for MMDs. In order to

ensure the continued oversight of these powers, the committee has standardized the language to be used in future municipal management district special law bills.

Additionally, in the process of reviewing the types of authority municipal management districts are commonly granted in special law bills, several provisions were found in past legislative attempts to create MMDs that caused substantial concerns for the Senate IGR Committee. These provisions have the potential to undermine the appropriate legislative and state oversight of districts, and the ability of residents of districts to approve the imposition of taxes and assessments. Any provision that would result in the following should not be included in legislation to create or amend a municipal management district:

- Exempting from TCEQ approval or oversight any bonds that are typically approved by the commission for municipal utility districts, such as bonds for water, sewage, and drainage;
- Exempting the district from requirements related to encouraging disadvantaged businesses found in Section 375.222, Local Government Code;
- Allowing the imposition of any tax, including but not limited to a property tax, sales and use tax, or hotel occupancy tax, without appropriate voter approval as required by law;
- Providing authority to exceed the total cap on state and local sales taxes, as provided by Section 321.101(f), Tax Code;
- Allowing the imposition of assessments without the appropriate petition of landowners within the district; or
- Granting the authority of eminent domain.

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took invited and public testimony on this charge on February 23, 2010, and April 6, 2010. Witnesses included those individuals responsible for the creation of municipal management districts and the Texas Legislative Council. At the hearing on April 6, 2010, the Senate IGR Committee was presented with information regarding how MMDs currently use the authority granted under Chapter 375, Local

Government Code and special law to provide improvements for the benefit of the general public and residents of the district. The committee requested that a workgroup be created to suggest and develop standard language for the common provisions found in municipal management district creation legislation.

The MMD workgroup – comprised of attorneys representing municipal management districts and legislative staff – developed, with the assistance of the Texas Legislative Council, model language for numerous standard provisions. These provisions were then vetted through a larger workgroup comprised of individuals representing city and county associations and all other interested parties. The final version of this language, which was supported by the workgroup, was presented to the Senate Committee on Intergovernmental Relations at a final hearing on October 19, 2010, and approved for use during the 82nd Legislative Session through the adoption of this report. See Appendix H-2.

### **Recommendations**

**8.1** Chapter 375, Texas Local Government Code, otherwise known as the municipal management district statute, is in need of revision. Amendments need to be made to this statute that would better reflect the current use of municipal management districts, provide greater oversight by the appropriate state agencies, and clarify common administrative procedures.

**8.2** The popularity of municipal management districts has increased significantly over the past decade, resulting in an increase in the legislation filed to authorize the creation of these districts. In order to ensure a more effective evaluation of proposed districts, the committee is making the following recommendations:

- Individuals seeking to file legislation to create a municipal management district should use standardized language regarding the "powers and duties" of the proposed district on file with the Texas Legislative Council. This would allow for a better understanding by members of the Texas Legislature and greater uniformity of the authority granted to proposed districts. See Appendix H-2 .

- The Senate Committee on Intergovernmental Relations will develop an additional questionnaire to be submitted with the "Request for Hearing." This questionnaire will request information regarding the purpose for which the proposed municipal management district is being created and the type of authority, including taxing and assessment authority, the legislation creating the district is requesting. See Appendix H-2.

## **EMERGENCY SERVICE DISTRICTS**

### **Background**

Emergency Service Districts (ESDs) are political subdivisions of the State of Texas created to collect revenue that supports the delivery of fire protection and emergency medical services. As of February 2010, there were 289 ESDs in Texas.<sup>211</sup> ESDs are authorized by the Texas Constitution and state statute.<sup>212</sup> Currently, there are two statutes governing ESDs: Chapter 775, Texas Health and Safety Code (Emergency Service Districts) and Chapter 776, Health and Safety Code (Emergency Service Districts in Counties of 125,000 or Less). Prior to an ESD's creation, a petition calling for a vote to create the district must be signed by at least 100 voters residing within the proposed boundaries. This petition sets forth whether the authority to create the district is authorized by Chapter 775 or Chapter 776. Following a public hearing and affirmative vote of the residents of the district, the petition is considered by county commissioners court.

Currently, there is no state agency with enforcement authority over ESDs, although the Texas Department of Rural Affairs (TDRA) provides educational information regarding the creation of ESDs, as well as training for ESD boards and commissioners.<sup>213</sup> Section 775.083 and Section 776.083, Health and Safety Code both require ESDs to file an annual report with TDRA on or before January 1 of each year that includes basic information regarding: the ESD's location; name, address, and term of office of each commissioner; name, address, and term of office of the district's general manager, executive director, and fire chief; name of each consultant or legal counsel; and the ESD's annual budget and tax rate for the preceding fiscal year.<sup>214</sup>

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<sup>211</sup>Written testimony submitted by Charles Stone, Texas Department of Rural Affairs at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>212</sup> Texas Constitution, Article III, Section 48-e.

<sup>213</sup> Written testimony submitted by Charles Stone, Texas Department of Rural Affairs at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>214</sup> *Ibid.*

## Issues

In order to understand how two separate chapters of the Health and Safety Code govern the creation of emergency service districts, it is important to understand how the provision of fire protection and emergency services has evolved in recent years. Prior to 2003, numerous types of special districts existed to support the delivery of fire protection, emergency medical services, emergency ambulance services, or fire control and prevention. Many of these districts evolved as rural areas looked to additional funding mechanisms to support volunteer services. Included in these districts were districts authorized under Chapter 794, Health and Safety Code (Rural Fire Prevention Districts), and ESDs authorized under either Chapter 775 or Chapter 776, Health and Safety Code.

Senate Joint Resolution (S.J.R.) 45 was passed during the 78th Texas Legislature, and adopted by the voters as Constitutional Amendment No. 19 on Sept. 13, 2003. This amendment allowed for the conversion of rural fire prevention districts to emergency services districts. As authorized in the enabling legislation, once converted to ESDs, these districts were given authority under Chapter 775, Health and Safety Code. Many of these districts were located in counties with a population below 125,000 residents. This is significant because although Chapter 776 sets forth the provisions for the creation of ESDs in counties with a population of 125,000 or less, there is nothing preventing the creation of ESDs in smaller counties under Chapter 775. The impact of having two different chapters governing the creation and operation of ESDs has caused a lack of uniformity in the provision of fire and emergency services by these districts. To complicate matters further, the population bracket found in Chapter 776, leads to confusion and often causes individuals to misread that it governs all ESDs in counties with a population of 125,000 or less.

Since information regarding the number of emergency services districts created under each statute was not previously available, the Senate Committee on Intergovernmental Relations (IGR) requested that the State Association of Fire and Emergency Districts (SAFE-D) conduct a survey of ESDs statewide using information gathered from TDRA annual reports,. Of 289 districts in Texas, SAFE-D identified 261 ESDs created under Chapter 775 or converted under



the 2003 constitutional amendment, and 20 ESDs created under Chapter 776. The governing statute of eight districts was unable to be determined.<sup>215</sup> A list of all ESDs can be found in Appendix H-3.

Although many sections relating to the creation and operation of ESDs found in Chapters 775 and 776 are duplicative, a comparison of the two chapters indicates numerous differences. A listing of all differing provisions can be found in Appendix H-4. A summary of the more significant differences is below. This list includes language present in Chapter 775 that is not present or is different in Chapter 776, including provisions that:

- Authorize the imposition of a sales and use tax by ESDs, following an election, in one-eighth of one percent increments instead of one-half of one percent increments as authorized in Chapter 776.<sup>216</sup>
- Allow ESDs to exclude areas of the district already at the two percent sales tax cap, as a result of other taxing jurisdictions, for the purpose of imposing a sales and use tax, following an election, in other portions of the district; and allow voters to petition to reduce the ad valorem tax rate.<sup>217</sup>
- Clarify that annexation and removal of ESD territory by a city does not diminish or impair bonds and other debt issued by the ESD.<sup>218</sup>
- Authorize ESDs to create an office of fire marshal in counties without an existing fire marshal; authorize the adoption and enforcement of a fire code by ESDs, if one does not

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<sup>215</sup> Written testimony submitted by John Carlton, State Association of Fire and Emergency Districts at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>216</sup> Texas Health and Safety Code, Section 775.0751.

<sup>217</sup> Section 775.0751 and Section 775.075.

<sup>218</sup> Section 775.022.

already exist; and allow districts to contract for law enforcement services to enforce a fire code or to commission or employ a peace officer.<sup>219</sup>

- Authorize ESDs to provide hazardous materials services and charge fees for those services, charge fees for other services, and collect delinquent fees through court proceedings.<sup>220</sup>
- Allow ESDs to borrow money to construct emergency services facilities in addition to real property and equipment as authorized by Chapter 776.<sup>221</sup>
- Require that ESDs use competitive bidding for purchases above \$50,000 instead of \$25,000 as required in Chapter 776; allow an exemption from competitive bidding for the purchase by ESDs of vehicle fuel, firefighter bunker gear, insurance coverage, and repairs resulting from insurance claims; and allow ESDs to use alternative bidding procedures found in Subchapter H, Chapter 271, Local Government Code.<sup>222</sup>
- Limit liability for acts of omission of employees of the ESDs or volunteer actions taken in the course of duties that do not violate another law and is not willful or wantonly negligent.<sup>223</sup>
- Require that ESDs file an audit with the county by June 1 of each year; and allow county auditors to access a district's financial records and audit the district if the district fails to comply with audit requirements.<sup>224</sup>

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<sup>219</sup> Texas Health and Safety Code, Section 775.101, Section 775.036, and Section 775.031.

<sup>220</sup> Section 775.151, Section 775.040, and Section 775.041.

<sup>221</sup> Section 775.085.

<sup>222</sup> Section 775.084.

<sup>223</sup> Section 775.033.

<sup>224</sup> Section 775.082.

- Require that ESD board members comply with conflict of interest statutes set forth in Local Government Code, Chapter 171; allow ESD board members to receive per diem compensation for services; and authorize a board of commissioners to remove an ESD commissioner for failure to attend a sufficient number of meetings.<sup>225</sup>

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took invited testimony on this charge on February 23, 2010. The testimony of the ESD representatives, particularly the State Association of Fire and Emergency Districts, was unanimous in support of the consolidation of all emergency services districts under Chapter 775, Health and Safety Code. The Texas Department of Rural Affairs provided resource testimony.

A workgroup was formed to assist the committee in determining the exact number of ESDs governed under Chapter 775 and Chapter 776, Health and Safety Code; and to make a recommendation regarding consolidation. The workgroup also included participants from city and county associations, fire and emergency services groups, and TDRA. A representative from SAFE-D reported a workgroup recommendation in favor of consolidation to the committee on October 19, 2010.

### **Recommendation**

**8.3** The Senate Committee on Intergovernmental Relations found that the vast majority of emergency service districts (ESDs) currently have the authority granted under Chapter 775, Texas Health and Safety Code, while some districts still have different authority granted under Chapter 776, Texas Health and Safety Code. In order to improve the uniformity and provision of fire and emergency services through these districts, the standardization of ESD authority should be considered.

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<sup>225</sup> Texas Health and Safety Code, Section 775.038 and Section 775.042.

## **PUBLIC IMPROVEMENT DISTRICTS**

### **Background**

Unlike other special purpose districts that fall under the jurisdiction of the Senate Committee on Intergovernmental Relations (IGR), public improvement districts (PIDs) are not created through petition to the Texas Commission on Environmental Quality or special law. A PID is created through petition to the local government in which area of the proposed district is located – either a municipality or county. In addition, unlike many other special purpose districts, a PID is not a political subdivision of the state but is instead a defined geographic area within the boundaries of a local government where proposed improvements will take place.<sup>226</sup> PIDs can be established to: provide infrastructure improvements, such as water and wastewater facilities; improve or construct sidewalks, streets, parking facilities; construct libraries; or install art and landscaping.<sup>227</sup> These districts can also be used to provide special supplemental services, such as promotion and advertising or safety and security services.<sup>228</sup> PIDs do not have the authority to impose a tax or of eminent domain. Improvements provided by the creation of a PID are funded through assessments paid by the property owners within the district.

The statutory authority and administrative guidelines for public improvement districts are found in Chapter 372, Texas Local Government Code (Improvement Districts in Municipalities and Counties). The creation of a PID requires the submittal of a petition to the governing body where the proposed district is to be located signed by at least: (1) owners of 50 percent of the owners of the appraised value of taxable real property; and (2) 50 percent of the number of property owners or the owners of 50 percent of the land area.<sup>229</sup>

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<sup>226</sup> Written testimony submitted by Dwight "Ike" Shupe at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>227</sup> Texas Senate Research Center. *Invisible Government: Special Purpose Districts in Texas*. October 2008.

<sup>228</sup> *Ibid.*

<sup>229</sup> *Ibid.*

Upon receipt of the petition, the local government is required to hold a public hearing on the creation of the district after publishing notice in a newspaper in general circulation in the city or county, including any newspaper in general circulation in the extraterritorial jurisdiction (ETJ) of a municipality if any area of the proposed PID is to be located within a city's ETJ.<sup>230</sup> After the hearing, the local government is required to make a finding on the advisability of the proposed improvement(s), the proposed costs, the method of assessment, and the apportionment between the proposed public improvement district and the local government as a whole.<sup>231</sup> Within six months of the hearing, the local government may authorize, by resolution, the creation of the improvement district. The resolution takes effect when notice of the district's creation has been published in a newspaper of general circulation.<sup>232</sup>

After creation of the district is authorized, the governmental body of either the city or county in which the PID is located is required to present a service plan that includes the indebtedness and the projected costs of the improvements. This plan must cover a period of five years, and may be done by an advisory board of the local government or another entity in absence of an advisory board.<sup>233</sup> The service plan must include an assessment plan apportioning the cost of an improvement to be assessed within each parcel of the property based upon the special benefit accruing to the property as a result of the improvement.<sup>234</sup> After the service plan is developed and the cost of the improvement determined, another public hearing is held to consider any proposed objections to the assessment roll.<sup>235</sup> The city or county will then, by ordinance or order, levy the assessment on the property. Such an assessment bears interest and is a first and prior lien against the property.<sup>236</sup> In order to fund the improvement, prior or during the

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<sup>230</sup> Texas Local Government Code, Section 372.009(c).

<sup>231</sup> Section 372.006.

<sup>232</sup> Section 372.010.

<sup>233</sup> Section 372.013.

<sup>234</sup> Texas Senate Research Center. *Invisible Government: Special Purpose Districts in Texas*. October 2008.

<sup>235</sup> *Ibid.*

<sup>236</sup> *Ibid.*

collection of assessments, local governments are authorized to issue temporary notes or time warrants, or revenue or general obligation bonds.<sup>237</sup>

### **Issues**

Public improvement districts were authorized by the 70th Texas Legislature, which authorized Chapter 372, Local Government Code. Since then, very few changes have been made to the PID statute, which has resulted in confusion over the benefits these districts provide, particularly regarding the type, location, and financing of improvements. Since these districts provide unique opportunities for local governments to provide economic development and infrastructure improvements without an infusion of public money, a review of the PID statute is warranted to determine whether it provides adequate authority for cities and counties.

Chapter 372, Local Government Code, has been subject to confusing interpretations, making it increasingly difficult for cities and counties to create public improvement districts, levy assessments, or take advantage of the public benefit that PIDs can provide.<sup>238</sup> In addition, different readings of the financial provisions in the statute have caused confusion for many PID practitioners, including the bond counsel responsible for putting together the obligations necessary to finance district improvements. As a result, numerous Texas Attorney General Opinions, including "guidelines" provided through a letter to bond counsel on December 17, 2008, attempted to provide an official interpretation of the statute. See Appendix H-5. According to many individuals familiar with the creation of PIDs and the financing of improvements, these guidelines caused additional conflicts between the interpretation of the existing statute and how PIDs are currently used by local governments, further demonstrating that updates to Chapter 372, Local Government Code are necessary.<sup>239</sup>

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<sup>237</sup> Texas Senate Research Center. *Invisible Government: Special Purpose Districts in Texas*. October 2008..

<sup>238</sup> Written testimony submitted by Dwight "Ike" Shupe at Senate Committee on Intergovernmental Relations hearing February 23, 2010. On file.

<sup>239</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Dwight "Ike" Shupe).

During the 81st Legislative Session, several bills were filed that made changes to the existing public improvement district statute, including House Bill 621, regarding "cash flow" districts, and Senate Bill 978, which proposed numerous technical corrections and updates to Chapter 372. In an attempt to clarify interest limitations on those PIDs that do not issue bonds, House Bill 621, inadvertently limited the interest rate associated with all PID obligations.<sup>240</sup> Revisions made by this bill should likely be revisited during the 82nd Legislative Session to clarify the intent of the legislation. In addition, Senate Bill 978, which ultimately passed both the Senate and House of Representatives, did not receive favorable consideration by the Governor. This bill sought to put in place those changes to the PID statute necessary to update it to conform it to cities' current needs in the context of a growing capital market for PID-based public infrastructure financing, particularly those identified by local governments and those in the capital markets. According to many PID practitioners, this legislation would have solved a lot of the issues with districts.<sup>241</sup> Additional legislative efforts, such as those proposed in SB 978 or provided to the Senate IGR Committee through the interim hearing process, would reform the existing PID statute and provide the authority that municipalities and counties need to take full advantage of the public/private partnership opportunity unique to these districts.

### **Committee Hearings**

Testimony regarding public improvement districts was provided to the Senate Committee on Intergovernmental Relations at public hearings held on February 23, 2010, and October 19, 2010. At these hearings, the committee heard recommendations regarding modifications to Chapter 372, Local Government Code, which would benefit those local governments looking to provide improvements through the use of PIDs. In addition, changes to this statute to conform it to the use of districts, through the evolution of public financing, were provided.

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<sup>240</sup> Senate Committee on Intergovernmental Relations hearing October 19, 2010 (statement of Val Perkins, Gardere, Wynne, Sewell, LLP).

<sup>241</sup> Senate Committee on Intergovernmental Relations hearing February 23, 2010 (statement of Dwight "Ike" Shupe).

## **Recommendation**

**8.4** While first conceived as a means by which local governments could pay for routine maintenance activities, public improvement districts, in practice, have evolved into a financing vehicle for more substantial projects of public benefit. Guidance offered by the Office of the Attorney General in 2008 recognized the maturation of these districts, but created some uncertainty and tension between the letter of the law and its application. Clarifying the statute (Chapter 372, Texas Local Government Code) to reflect currently accepted and approved uses of public improvement district financing would provide certainty for cities and counties interested in using this tool to create public infrastructure and generate economic development.



**Charge 9: Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.**

- **Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.**

## **Background**

During the 81st Legislative Session, 437 bills were referred to the Senate Committee on Intergovernmental Relations (IGR) for consideration; 224 of these proposals were enrolled and four were vetoed by the Governor. Many of the proposals that did not receive favorable consideration by the committee were the subject of the interim charges provided by the Lieutenant Governor, and are therefore addressed in the appropriate sections of this report by subject matter. As a result, the following discussion only focuses on the use of expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs (TDHCA).

As the state's housing agency, TDHCA was designated to receive and distribute over \$1 billion in additional federal funds provided through the American Recovery and Reinvestment Act (ARRA) of 2009, better known as the stimulus bill. These funds were provided through the following programs: Weatherization Assistance Program, Homelessness Prevention and Rapid Re-Housing Program, Community Services Block Grant Program, Tax Credit Assistance Program, and Tax Credit Exchange Program. In addition, during the 81st Legislative Session, TDHCA was provided additional state general revenue through two programs - the Texas Housing Trust Fund and the Homeless Housing and Services Program. TDHCA was also granted additional authority to utilize equity provided through the federal Housing Tax Credit (HTC) Exchange program. This authority was granted through the passage of House Bill 4275, which allowed the department to adopt new rules governing the administration of these funds.

## **Issues**

The vast infusion of federal dollars for housing related activities provided to TDHCA initially caused concerns regarding whether the department had sufficient administrative resources and staff to contend with the distribution of such a large amount of funds in compliance with federal regulations and timelines. The Senate IGR Committee has been closely following the progress TDHCA has made getting ARRA funds into the community and to those individuals in need of services. The department passed the first "use-it or lose-it" deadline of September 2010 for

Community Development Block Grant (CDBG) funds, prior to the final committee hearing. Of the approximately \$48 million provided to the State of Texas, TDHCA was able to expend 99.9 percent assisting over 100,000 individuals and families.<sup>242</sup>

One program in particular, the Weatherization Assistance Program (WAP) initially came under fire due to problems with the inadequate number of local service providers necessary to provide weatherization services. According to the department, these problems have now been resolved. TDHCA aggressively stepped up the monitoring of WAP subcontractors, which currently provide weatherization assistance to 2,500 homes a month.<sup>243</sup> In addition, the department was recently recognized by the United States Secretary of Energy on the progress made reducing the utility bills of low-income individuals.<sup>244</sup> Texas also ranks fifth nationally in the number of jobs created through the weatherization program.<sup>245</sup> TDHCA has expended approximately 30 percent of WAP funds and is on target to use all funds by the March 2012 deadline.<sup>246</sup>

As a result of House Bill 4275, which authorized TDHCA to make a one-time revision of the rules related to the tax credit program, the department was able to utilize additional revenue provided by the federal Housing Tax Credit Exchange Program. Through the allocation of additional tax credits, and the corresponding equity provided by this federal program, the department was able to oversee the distribution of \$600 million in housing tax credit awards, which resulted in 8,000 additional housing units for the state, of which 1,000 units are designated for individuals earning less than 30 percent of the area median family income.<sup>247</sup> This provided the construction industry in Texas with over \$1 billion in additional revenue.

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<sup>242</sup> Senate Committee on Intergovernmental Relations hearing, October 19, 2010 (statement of Michael Gerber, Texas Department of Housing and Community Affairs).

<sup>243</sup> *Ibid.*

<sup>244</sup> *Ibid.*

<sup>245</sup> *Ibid.*

<sup>246</sup> *Ibid.*

<sup>247</sup> *Ibid.*

Summary level information regarding the distribution of federal ARRA funds is provided in Figure 9.1. Specific information can be found in Appendix I.

**Figure 9.1**

Program	Brief Description	Funds Provided by ARRA	Funds Expended to Date	Served to Date
Weatherization Assistance Program (WAP)	Minor home repairs to increase energy efficiency, maximum \$6,000 per household; eligible households at or below 200% of poverty.	\$327 million	\$86 million	17,842 households
Homelessness Prevention and Rapid Re-Housing Program	Rental assistance, housing search, credit repair, deposits, moving cost assistance, and case management; eligible persons at or below 50% area median income.	\$41 million	\$19 million	39,923 persons
Community Services Block Grant (CSBG) Program	Assist existing network of Community Action Agencies with services including child care, job training, and pervert-related programs; eligible persons at or below 200% of poverty.	\$48 million	\$46 million	98,871 persons
Tax Credit Assistance Program (TCAP)	Provides assistance for 2007, 2008, or 2009 Housing Tax Credits awarded developments; eligible households at or below 60% area median income.	\$148 million	\$39 million	5,391 households
Tax Credit Exchange Program (Exchange)	Provides assistance for 2007, 2008, or 2009 Housing Tax Credits awarded developments; eligible households at or below 60% area median income.	\$594 million	\$143 million	7,684 households

*\*Information provided by the Texas Department of Housing and Community Affairs, as of October 19, 2010*

In addition to federal funds, TDHCA also received an additional \$20 million in new state general revenue for the Homeless Housing and Services Program (HHSP) for the 2011-12 biennium. The department also received a significant increase in general revenue for the Housing Trust Fund, nearly doubling the prior biennial appropriation. TDHCA has already executed contracts for the first year of funding for the HHSP program with the eight largest cities in Texas, as designated by the legislation, and will be conducting monitoring regarding the use of these funds.<sup>248</sup> In addition, as it relates to the \$22 million in general revenue appropriations to the Housing Trust Fund (HTF), the department has doubled the amount of homes built through the Texas Bootstrap Loan Program, provided additional funds for barrier removal for those

<sup>248</sup> Senate Committee on Intergovernmental Relations hearing, October 19, 2010 (statement of Michael Gerber, Texas Department of Housing and Community Affairs).

individuals in need of assistance, and provided additional housing vouchers for Texas veterans.<sup>249</sup> As the only available "ready cash" to the department, TDHCA used the additional funds provided through the increase in the HTF to leverage other dollars. For every \$1 million provided in general revenue appropriations, the department was able to generate \$45 million in matching funds for the construction of homes for low- to moderate-income Texans.<sup>250</sup>

One comment received by the committee through testimony on the distribution of federal and other funds was related to the inability of the TDHCA to track whether funds directed into a particular community actually benefit the residents of that area.<sup>251</sup> For example, one of the primary goals of federal ARRA funds was to retain and attract jobs. Although the department provides quarterly reports to the federal government regarding this information, as required, it is still unable to track if the individuals retained or employed as a result of the funds resided in the area that received the infusion of dollars. In addition, specific questions were asked of the department regarding the tracking of services to veterans in need of homelessness assistance. Veterans are eligible to receive assistance through various programs funded by federal, state, and local resources, but it is often difficult to quantify the amount of services that are needed to transition from homelessness to a home within the community. While it is important to note that the department should not be required to dedicate the minimal amount of general revenue provided by the state to create an extensive tracking system, the department should be able to utilize the knowledge gained through the distribution and reporting of ARRA funds to develop an appropriate level of reporting so that a local community can determine whether its citizens benefited upon a receipt of federal and state dollars. In addition, TDHCA should continue to establish best practices for the delivery of services to veterans, including those who have recently returned from Iraq and Afghanistan, by improving the coordination of services for this population.

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<sup>249</sup> Senate Committee on Intergovernmental Relations hearing, October 19, 2010 (statement of Michael Gerber, Texas Department of Housing and Community Affairs).

<sup>250</sup> *Ibid.*

<sup>251</sup> Senate Committee on Intergovernmental Relations hearing, May 13, 2010 (statement of John Henneberger, Texas Low Income Housing Information Service).

### **Committee Hearings**

The Senate Committee on Intergovernmental Relations took invited and public testimony on this charge on May 13, 2010, in Dallas. At the hearing, the committee was provided an overview of the distribution of federal American Recovery and Reinvestment Act funds, federal disaster assistance funds, and state general revenue. The committee also heard testimony from numerous stakeholders, including several local governments, who provided the perspective of those local organizations and sub-contractors in receipt of funds from TDHCA. As a result of this testimony, the committee requested specific information from the department to address particular items of concern, and asked to be updated on the distribution of funds at a final committee hearing on October 19, 2010. The initial information provided by TDHCA, as well as the updated information can be found in Appendix I. As result of additional requests by the committee, TDHCA has provided specific recommendations to improve reporting and accountability, as it relates to specific populations. These suggestions are reflected in the Senate IGR Committee recommendations to the 82nd Legislature.

### **Recommendations**

**9.1** Through the distribution of federal American Recovery and Reinvestment Act (ARRA) funds, the Texas Department of Housing and Community Affairs (TDHCA) gained valuable insight in reporting the number of job opportunities created and maintained following an investment of resources. TDHCA should build upon these experiences and review internal reporting mechanisms to determine if a community-based jobs tracking component should be added to appropriate programs in order to evaluate whether funds provided to a certain area of the state benefit the members of that community.

**9.2** Improving the coordination of services provided to special needs communities has the potential to increase the level of services provided to individuals and households and to improve the efficient distribution of state and federal resources. In order to accomplish these goals, amendments should be made to Chapter 2306, Texas Government Code to:

- Require the Texas Department of Housing and Community Affairs (TDHCA) to gather the special needs category status of each individual or household served through TDHCA

including, but not limited to: homeless, veterans, farm workers, youth aging out of foster care, and any other population, as determined by TDHCA rule; and

- Amend the information provided in the Low Income Housing Report (Section 2306.072), published annually by TDHCA, to include a tracking item to identify the number of individuals and households who meet these special needs categories and how these populations were served during the previous year, including any recommendations on how to improve the coordination of services for these populations across agency programs.

## **Appendix A**





<p>Homeowner Associations Dwelling Actions, 33-2001 through 33-2003</p>	<p>property and in which the owners of separately owned lots, parcels or units are mandatory members and are required to pay assessments to the association for these purposes. Planned community does not include a timeshare plan or a timeshare association that is governed by chapter 20 of this title. (33-1802)</p> <p>The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. The association's lien for assessments, for charges for late payment of those assessments, for reasonable collection fees and for reasonable attorney fees and costs incurred with respect to those assessments may be foreclosed in the same manner as a mortgage on real estate but may be foreclosed only if the owner has been delinquent in the payment of monies secured by the lien, excluding reasonable collection fees, reasonable attorney fees and charges for late payment of and costs incurred with respect to those assessments, for a period of one year or in the amount of one thousand two hundred dollars or more, whichever occurs first. Fees, charges, late charges, monetary penalties and interest charged pursuant to section 33-1803, other than charges for late payment of assessments are not enforceable as assessments under this section. (33-1807)</p> <p>"Homeowners' association dwelling action" means any action filed by a homeowners' association against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. (33-2001)</p>
<p><b>Arkansas</b></p>	<p>[No HOA/POA laws.] [No licensing or government agency charged with oversight.]</p>
<p><b>California</b></p> <p>Certified Common Interest Development Manager, 11500 through 11506</p> <p>Common Interest Development (Davis-Stirling Act), Civil Code 1350 through 1378</p>	<p>Sets forth requirements to voluntarily be called a "certified common interest development manager," including coursework, examination, and continuing education requirements; certification by a professional association for common interest development managers meeting certain requirements (been in existence 5 years, 200+members, abides by professional standards, etc.). (11502)</p> <p>(c) "Common interest development" means any of the following:</p> <ol style="list-style-type: none"> <li>(1) A community apartment project.</li> <li>(2) A condominium project.</li> <li>(3) A planned development.</li> <li>(4) A stock cooperative. (1351)</li> </ol> <p>(k) "Planned development" means a development (other than a community apartment project, a condominium project, or a stock cooperative) having either or both of the following features: (1) The common area is owned either by an association or in common by the owners of the separate interests who possess appurtenant rights to the beneficial use and enjoyment of the common area. (2) A power exists in the association to enforce an obligation of an owner of a separate interest with respect to the beneficial use and enjoyment of the common area by means of an assessment which may become a lien upon the separate interests in accordance with Section 1367 or 1367.1. (1351)</p> <p>The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with Section 1366, shall be a lien on the owner's interest in the common interest development from and after the time the association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with Section 1366, a legal description of the owner's interest in the common interest development against which the assessment and other sums are levied, the name of the record owner of the</p>

	<p>owner's interest in the common interest development against which the lien is imposed, and, in order for the lien to be enforced by nonjudicial foreclosure as provided in subdivision (e) the name and address of the trustee authorized by the association to enforce the lien by sale. (1367)</p> <ul style="list-style-type: none"> <li>• Assessments delinquent 15 days after due (§1365.1)</li> <li>• Notice of delinquent assessment 30 days prior to filing lien (§1365.1; §1367.1)</li> <li>• Owner has right to request meeting to discuss payment plan (1367.1)</li> <li>• Owner has right to dispute assessment debt and to request ADR (1367.1)</li> <li>• Any payments toward debts first applied to assessments owed, and only after principal owed is paid in full, shall payment be applied to interest and expenses (§1367.1)</li> <li>• Foreclosure prohibited for delinquent assessments or dues less than \$1,800 (§1365.1; §1367.4)</li> <li>• Foreclosure allowed for delinquent amounts over \$1,800 or more than 12 months overdue, required to offer ADR, formal decision by board, notice, and right of redemption if nonjudicial (§1365.1; §1367.4)</li> <li>• Association may attempt to collect debt of less than \$1,800 in small claims court;</li> <li>• Lien may be enforced 30 days after recording (§1367.1)</li> </ul> <p>Prohibits an association or an owner or a member of a common interest development from filing an enforcement action unless the parties have submitted their dispute to alternative dispute resolution. (1369.520)</p>
<p><b>Colorado</b></p> <p>Common Interest Ownership Act, 38-33.3-101 through 38-33.3-401</p>	<p>Requires unit owners' associations to register annually with the director of the division of real estate, and under certain circumstances, pay a fee and disclose certain information (effective 1/1/2011). (38-33.3-401)</p> <p>The association, if such association is incorporated or organized as a limited liability company, has a statutory lien on a unit for any assessment levied against that unit or fines imposed against its unit owner. (38-33.3-316)</p>
<p><b>Connecticut</b></p> <p>Community Association Managers, 20-450 through 20-473</p> <p>Common Interest Ownership Act, 47-200 through 47-299</p>	<p>Requires community association managers to obtain a certificate of registration upon application and payment of a fee to the Department of Consumer Protection; CT Real Estate Commission of the Dept. to hold certain hearings (20-452; 20-453)</p> <p>The association has a statutory lien on a unit for any assessment levied against that unit or fines imposed against its unit owner. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charged pursuant to subdivisions (10), (11) and (12) of subsection (a) of section 47-244 are enforceable as assessments under this section. The association's lien may be foreclosed in like manner as a mortgage on real property. (47-258)</p>
<p><b>Delaware</b></p> <p>Unit Properties, Title 25, §§ 2201 et seq.</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>"Unit" means a part of the property designed or intended for any type of independent use which has a direct exit to a public street or way, or to a common element or common elements leading to a public street or way, or to an easement or right-of-way leading to a public street or way, and includes the proportionate undivided</p>

	<p>interest in the common elements which is assigned thereto in the declaration or any amounts thereof. (2202)</p> <p>Any charge assessed against a unit may be enforced by an action at law by the council acting on behalf of the unit owners, provided that each action, when filed, shall refer to this chapter and to the unit against which the assessment is made and the owner thereof. Any judgment against a unit and its owner shall be enforceable in the same manner as is otherwise provided by law. (2246)</p>
<p><b>District of Columbia</b></p> <p>Property Managers, 47-2853.141 through 47-2853.143</p>	<p>[No HOA/POA laws.]</p> <p>Requires property manager to file application for licensure with Board of Real Estate of DC's Department of Consumer and Regulatory Affairs, pass exam; real estate brokers deemed to have satisfied educational and exam requirements for licensure. (47-2853.142)</p>
<p><b>Florida</b></p> <p>Community Association Management, 468.431 through 468.438</p> <p>Homeowners' Associations, Ch. 720</p>	<p>"Community association" is a residential homeowners' association in which membership is a condition of ownership of a unit in a planned unit development, or of a lot for a home or...other residential unit which is a part of the development scheme and which is authorized to impose a fee which may become a lien on the parcel. (468.431)</p> <p>Creation of The Regulatory Council of Community Association Managers of the Department of Business &amp; Professional Regulation (DBPR). (468.4315)</p> <p>License by DBPR required for community association manager. (468.432)</p> <p>License required for community association management firm responsible for the management of more than 10 units or a budget in excess of \$100,000 as of 1/1/09. (468.432)</p> <p>Licensure requires education requirements, examination, fingerprints, and related fees. (468.433; 468.435)</p> <p>License renewal requires continuing education and fee. (468.4336)</p> <p>DBPR investigates complaints and allegations of violations filed against community association managers or firms and issues disciplinary actions upon guilty finding. (468.436)</p> <p>The Legislature recognizes that it is not in the best interests of HOAs or HOA members to create or impose a bureau or other agency of the state government to regulate the affairs of HOAs. (§720.302(2))</p> <p>A fine for delinquent monetary obligation may not exceed \$1,000 in the aggregate; a fine of less than \$1,000 may not become a lien. (720.305)</p> <p>A fine may not be imposed without 14 days' notice. (720.305)</p> <p>HOA has lien to secure payment of assessments. (720.3085)</p> <p>HOA may bring action to foreclose a lien for assessments in same manner in which a mortgage of real property is foreclosed and may also bring an action to recover a money judgment for the unpaid assessments without waiving any claim of lien. (720.3085)</p>

	<p>Any payment received by an HOA shall be applied first to any interest accrued, then to any administrative late fee, then to any costs and reasonable attorney's fees, and then to delinquent assessment. (720.3085)</p> <p>45-day notice of intent to file lien. (720.3085)</p> <p>45-day notice of intent to foreclose. (720.3085)</p> <p>"Qualifying offer" - written offer to pay all amounts secured by the lien; stays HOA's foreclosure action for 60 days. (720.3085)</p>
<p><b>Georgia</b></p> <p>Real Estate Brokers and Salespersons, 43-40-1 through 43-40-32</p> <p>Property Owners' Association Act, 44-3-220 through 44-3-235</p>	<p>Qualifications for community association manager's license includes 25 hours of instruction, passage of real estate exam, plus fees. (43-40-8)</p> <p>Real Estate Commission has power to regulate issuance of licenses. (43-40-14)</p> <p>(a) All sums lawfully assessed by the association against any lot owner or property owners' association lot, whether for the share of the common expenses pertaining to that lot, fines, or otherwise, and all reasonable charges made to any lot owner or lot for materials furnished or services rendered by the association at the owner's request to or on behalf of the lot owner or lot, shall, from the time the sums became due and payable, be the personal obligation of the lot owner and constitute a lien in favor of the association on the lot prior and superior to all other liens whatsoever except: (1) Liens for ad valorem taxes on the lot; (2) The lien of any first priority mortgage covering the lot and the lien of any mortgage recorded prior to the recording of the declaration; or (3) The lien of any secondary purchase money mortgage covering the lot, provided that neither the grantee nor any successor grantee on the mortgage is the seller of the lot. The recording of the declaration pursuant to this article shall constitute record notice of the existence of the lien, and no further recordation of any claim of lien for assessments shall be required. (44-3-232)</p>
<p><b>Hawaii</b></p> <p>Planned Community Associations, Ch. 421J</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>"Planned community" means one of the following:</p> <p>(1) Real property, other than a condominium or a cooperative housing corporation or a time share plan, that is subject to a planned community association as defined under section 607-14; or</p> <p>(2) A common interest community, other than a condominium or a cooperative housing corporation or a time share plan, which includes all of the following characteristics:</p> <p>(A) Real property subject to a recorded declaration placing restrictions and obligations on the owners of the real property that are enforced or enforceable by a separate entity, the association, established for that purpose whether or not mentioned in the declaration, and:</p> <p>(i) That owns and maintains certain property within the planned community for the common use or benefit, or both, of the owners of units within the planned community;</p> <p>(ii) That is obligated to maintain certain property it does not own within the planned community for the common use or benefit, or both, of the owners of units within the planned community; or</p> <p>(iii) That is obligated to provide services to any such owners or units;</p> <p>(B) Individual owners own separate units that are part of a planned community at least some of which are improved by or are to be improved by residential dwellings;</p> <p>(C) Owners have automatic and non-severable membership in an association by</p>

	<p>virtue of ownership of units within the planned community; and  (D) Owners, other than a master developer or declarant, are obligated by any association document to pay mandatory assessments by virtue of ownership of a unit within the planned community. (421J-2)</p> <p>(a) All costs and expenses, including reasonable attorneys' fees, incurred by or on behalf of the association for: (1) Collecting any delinquent assessments against any unit or the owner of any unit; (2) Foreclosing any lien on any unit; or (3) Enforcing any provision of the association documents or this chapter; against a member, occupant, tenant, employee of a member, or any other person who in any manner may use the property, shall be promptly paid on demand to the association by such person or persons; provided that if the association is not the prevailing party, all costs and expenses, including reasonable attorneys' fees, incurred by any such person or persons as a result of the action of the association, shall be promptly paid on demand to the person by the association. The reasonableness of any attorney's fees paid by a person or by an association as a result of an action pursuant to paragraph (2) shall be determined by the court. (421J-10)</p> <p>At the request of any party, any dispute concerning or involving one or more members and an association, its board of directors, managing agent, manager, or one or more other members relating to the interpretation, application, or enforcement of this chapter or the association documents, shall first be submitted to mediation. (421J-13)</p>
<b>Idaho</b>	<p>[No HOA/POA laws.]  [No licensing or government agency charged with oversight.]</p>
<p><b>Illinois</b></p> <p>Community Association Manager Licensing and Disciplinary Act, Public Act 096-0726 (Effective 7/1/10)</p>	<p>Illinois Community Association Manager Licensing and Disciplinary Board, Department of Financial and Professional Regulation (DFPR). (§10)</p> <p>Exempts from requirements:</p> <ol style="list-style-type: none"> <li>1. director, officer, or member of community association providing services without compensation,</li> <li>2. person providing services of community association manger to community association of 10 units or less,</li> <li>3. licensed attorney acting as an incident to the practice of law,</li> <li>4. person acting as a receiver or trustee in bankruptcy or under a court order, and</li> <li>5. a person licensed in another state and met certain conditions. (§20)</li> </ol> <p>DFPR may promulgate rules requiring continuing education and the renewal period for each license issued.</p> <p>Qualifications for licensure:</p> <ul style="list-style-type: none"> <li>• Submitted application and paid fees;is at least 21 years of age;</li> <li>• completed 20 hours of approved courses;</li> <li>• passed exam;</li> <li>• no violations of this Act;</li> <li>• of good moral character;</li> <li>• not been declared to be incompetent; and</li> <li>• complies with any additional qualifications as determined by rule of the DFPR. (§40)</li> </ul> <p>Exempts person who provides evidence of work as community association management for 5 years or achieved a designation awarded by recognized community association management orgs of the State from exam and education requirements. (§40)</p> <p>DFPR may refuse to issue or renew, or may revoke or suspend a license, may fine or</p>

<p>Common Interest Community Association Act, Public Act 096-1400 (Effective 7/29/10).</p>	<p>take other action as proper for violations for material misstatement, conviction of crime, professional incompetence, gross negligence, etc. (§85).</p> <p>"Common interest community" is real estate other than a condo or coop to which any person is obligated to pay for the maintenance, improvement, etc. of common areas described in a declaration administered by an association. (§1-5)</p> <p>Exempts common interest community associations organized under the GNFPCA that have either 10 units or less or annual budgeted assessments of \$100,000 or less. (§1-75)</p> <p>Power to collect fines after notice and hearing for violations. (§1-30)</p> <p>[House Flr Amd 2 deleted provision giving an association a statutory lien for unpaid fines.]</p>
<p><b>Indiana</b></p> <p>Homeowners Associations, 32-25.5 (applies to HOAs established after 06/30/09 or by election of HOA created prior to that date)</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>[No mention of liens or foreclosure.]</p> <p>Prohibits HOA from suspending voting rights of member for unpaid assessment unless in governing documents and six months delinquent. (32-25.5-3-4)</p>
<p><b>Iowa</b></p>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<p><b>Kansas</b></p>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<p><b>Kentucky</b></p>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p> <p>Community association managers and the management or business activities of not-for-profit community associations, including townhouse, condos, homeowner, or neighborhood associations, specifically excluded from the jurisdiction of the Kentucky Real Estate Commission. (324.2812)</p>
<p><b>Louisiana</b></p> <p>Homeowners Association Act, RS9:1141.1 through 1141.9</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>Upon the filing of a sworn detailed statement in accordance with this Part, an association of owners of lots in a residential or commercial subdivision shall have a privilege upon the lot and improvements thereon of an owner in the subdivision who fails to pay charges, expenses or dues imposed upon such lot and improvements thereon in accordance with recorded restrictions, servitudes, or obligations affecting such subdivision. The privilege shall secure unpaid charges, expenses or dues imposed by the association of owners, together with legal interest from the date due and reasonable attorney's fees. (9:114.5)</p>
<p><b>Maine</b></p>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<p><b>Maryland</b></p> <p>Homeowners Association</p>	<p>Seller must include statements relating to assessments and whether Maryland Contract Lien Act applies for unpaid assessments. (11B-105)</p>

Act, 11B-101 through 11B-117	To the extent that a violation of any provision of this title affects a consumer, that violation shall be within the scope of the enforcement duties and powers of the Division of Consumer Protection of the Office of the Attorney General. (11B-115)
<b>Massachusetts</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Michigan</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Minnesota</b>  Common Interest Ownership Act, Ch. 515B	[No licensing or government agency charged with oversight.]  The association has a lien on a unit for any assessment levied against that unit from the time the assessment becomes due. (515B.3-116)
<b>Mississippi</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Missouri</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Montana</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Nebraska</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Nevada</b>  Common Interest Ownership Act, 116.001 through 16.795	Authorizes common-interest community to be created by recording declaration in county records. (116.2101)  Creates the Commission for Common-Interest Communities, Real Estate Division, Nevada Department of Business and Industry. (116.600).  Creates the Office of Ombudsman for Owners in Common-Interest Communities and Condominium Hotels within Real Estate Division. (116.625)  Commission for Common Interest Communities and Condominium Hotels, Division of Real Estate of the Department of Business and Industry has jurisdiction to investigate and take disciplinary actions against anyone who violates the Act. (116.750)  The association has a lien on a unit for any construction penalty that is imposed against the unit's owner pursuant to NRS 116.310305, any assessment levied against that unit or any fines imposed against the unit's owner from the time the construction penalty, assessment or fine becomes due. (116.3116)  Impose fines for violation of governing documents after notice, reasonable opportunity to contest, and hearing; not to exceed \$100 for each or a total of \$1000; if not cured within 14 days, additional fine; fine may not bear interest but may include costs of civil action to enforce payment of past due fine. (116.31031)  If action for foreclosure of mortgage filed, association may enter land to conduct maintenance or remove or abate nuisance, and charge unit with associated costs and has lien for unpaid amounts, which bears interest. (116.310312)



<p>Common-Interest Communities: Regulation of Community Managers and Other Personnel, Ch. 116A</p>	<p>Association may charge fees to cover costs of collecting past due obligation. (116.310313)</p> <p>Fines for violations of governing documents must be accounted for separately; any payment for outstanding assessment or fee shall not apply to fine or associated costs. (116.310315)</p> <p>Past due assessment bears interest when 60 days or more over due. (116.3115)</p> <p>Association has lien from time assessment or fine becomes due; recordation of declaration constitutes notice and perfection of lien. (116.3116)</p> <p>Association may foreclose after notice of delinquent assessment to owner, record notice of default and election to sell in county records within 30 days, and owner has not paid within 90-day of notice of default. (116.31162)</p> <p>Association may not foreclose a lien by sale based on a fine for a violation of the governing documents unless the violation poses an imminent threat. (116.31162)</p> <p>Prohibits person from acting as a community manager without certification. (116A.400)</p> <p>Certification requirements:</p> <ul style="list-style-type: none"> <li>o 60 hours education,</li> <li>o exam (fee \$100),</li> <li>o application (fee \$200).</li> </ul> <p><a href="http://www.red.state.nv.us/CIC/cam_certificate.htm">http://www.red.state.nv.us/CIC/cam_certificate.htm</a></p> <p>Commission to adopt regulations relating to standards of practice. (116A.400)</p> <p>Commission authorized to investigate, conduct hearings, and take disciplinary action against any community manager for violations. (116A.400)</p>
<p><b>New Hampshire</b></p>	<p>[No HOA/POA laws.] [No licensing or government agency charged with oversight.]</p>
<p><b>New Jersey</b></p>	<p>[No HOA/POA laws.] [No licensing or government agency charged with oversight.]</p>
<p><b>New Mexico</b></p>	<p>[No HOA/POA laws.] [No licensing or government agency charged with oversight.]</p>
<p><b>New York</b></p> <p>Subdivided Lands, RPP 337 through 339C</p> <p><i>See also:</i> Real Estate Syndication Offerings, GBS 352-e</p> <p>N.Y. Codes, Rules, and Regulations, Part 22 (Newly Constructed, Vacant Homeowners Associations or</p>	<p>Attorney General regulates offer and sale of real estate; must issue letter of filing of statement or notice of deficiencies in statement within 30 days of submission. (352-e)</p> <p>Attorney General's Real Estate Finance Bureau receives and investigates complaints re: Co-ops, Condos, and HOAs (<a href="http://www.ag.ny.gov/bureaus/real_estate_finance/forms.html">http://www.ag.ny.gov/bureaus/real_estate_finance/forms.html</a>)</p>

<p>Non-Residential Property Owners Associations) of Title 13 (Department of Law)</p> <p>Condominiums, RPP 339-D through 339-KK</p>	<p><i>Board of Directors v. Hebb</i>, 868 N.Y.S.2d 856 (2008): Condo Act requirements relating to notice and verification of lien apply to HOAs and HOA assessments.</p> <p>Board of managers has a lien on each unit for the unpaid common charges with interest. (339-Z)</p> <p>Board of managers may file notice of lien within 60 days after unpaid common charges are due. (339-AA)</p> <p>Lien effective when filed in office of recording officer in which declaration is filed. (339-AA)</p> <p>Such lien may be foreclosed by suit in like manner as a mortgage of real property. (339-AA)</p>
<p><b>North Carolina</b></p> <p>Planned Community Act, Ch. 47F</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>"Planned community" means real estate with respect to which any person, by virtue of that person's ownership of a lot, is expressly obligated by a declaration to pay real property taxes, insurance premiums, or other expenses to maintain, improve, or benefit other lots or other real estate described in the declaration. For purposes of this act, neither a cooperative nor a condominium is a planned community, but real estate comprising a condominium or cooperative may be part of a planned community. "Ownership of a lot" does not include holding a leasehold interest of less than [than] 20 years in a lot, including renewal options. (47F-1-1-3)</p> <p>Any assessment levied against a lot remaining unpaid for a period of 30 days or longer shall constitute a lien on that lot when a claim of lien is filed of record in the office of the clerk of superior court of the county in which the lot is located in the manner provided herein. Prior to filing a claim of lien, the association must make reasonable and diligent efforts to ensure that its records contain the lot owner's current mailing address. No fewer than 15 days prior to filing the lien, the association shall mail a statement of the assessment amount due by first-class mail to the physical address of the lot and the lot owner's address of record with the association, and, if different, to the address for the lot owner shown on the county tax records and the county real property records for the lot. If the lot owner is a corporation, the statement shall also be sent by first-class mail to the mailing address of the registered agent for the corporation. Unless the declaration otherwise provides, fees, charges, late charges, and other charges imposed pursuant to G.S. 47F-3-102, 47F-3-107, 47F-3-107.1, and 47F-3-115 are enforceable as assessments under this section. (47F-3-116)</p>
<p><b>North Dakota</b></p>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<p><b>Ohio</b></p> <p>Planned Community Law, Ch. 5312 (Effective 9/10/10)</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>The owners association has a lien upon the estate or interest in any lot for the payment of any assessment or charge levied in accordance with section 5312.11 of the Revised Code, as well as any related interest, administrative late fees, enforcement assessments, collection costs, attorney's fees, and paralegal fees, that are chargeable against the lot and that remain unpaid ten days after any portion has become due and payable.</p> <p>(B) All of the following apply to a lien charged against a property pursuant</p>

	<p>to this section:</p> <p>(1) The lien is effective on the date that a certificate of lien is filed for record in the office of the recorder of the county. (5312.12)</p>
<b>Oklahoma</b>	<p>[No HOA/POA laws.]</p> <p>[[No licensing or government agency charged with oversight.]</p>
<b>Oregon</b>  Planned Unit Development, 94.550 through 94.783	<p>[No licensing or government agency charged with oversight.]</p> <p>Requires homeowners association to be a nonprofit corporation. (94.630)</p> <p>(1) Whenever a homeowners association levies any assessment against a lot, the association shall have a lien upon the individual lot for any unpaid assessments. The lien includes interest, late charges, attorney fees, costs or other amounts imposed under the declaration or bylaws or other recorded governing document. The lien is prior to a homestead exemption and all other liens or encumbrances upon the lot except:</p> <p style="padding-left: 40px;">(a) Tax and assessment liens; and (b) A first mortgage or trust deed of record.</p> <p>(2) Recording of the declaration constitutes record notice and perfection of the lien for assessments. No further recording of a claim of lien for assessments or notice of a claim of lien under this section is required to perfect the association's lien. (94.709)</p>
<b>Pennsylvania</b>  Uniform Planned Communities Act, 5101 through 5414	<p>[No licensing or government agency charged with oversight.]</p> <p>The association has a lien on a unit for any assessment levied against that unit or fines imposed against its unit owner from the time the assessment or fine becomes due. The association's lien may be foreclosed in a like manner as a mortgage on real estate. (5315)</p> <p>"Planned community." Real estate with respect to which a person, by virtue of ownership of an interest in any portion of the real estate, is or may become obligated by covenant, easement or agreement imposed on the owner's interest to pay any amount for real property taxes, insurance, maintenance, repair, improvement, management, administration or regulation of any part of the real estate other than the portion or interest owned solely by the person. The term excludes a cooperative and a condominium, but a condominium or cooperative may be part of a planned community. (5103)</p>
<b>Rhode Island</b>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<b>South Carolina</b>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<b>South Dakota</b>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<b>Tennessee</b>	<p>[No HOA/POA laws.]</p> <p>[No licensing or government agency charged with oversight.]</p>
<b>Texas</b>	
<b>Utah</b>	<p>[No licensing or government agency charged with oversight.]</p>

<p>Community Association Act, 57-8A-101 through 57-8A-211</p>	<p>If an owner fails or refuses to pay an assessment when due, that amount constitutes a lien on the interest of the owner in the property. (57-8A-203)</p> <p>When authorized in the declaration, bylaws, or rules adopted by the board of directors, if the owner fails or refuses to pay an assessment when due, the board of directors may, after giving notice and an opportunity to be heard in accordance with Subsection (2), terminate an owner's right: (a) to receive utility services paid as a common expense; and (b) of access and use of recreational facilities. (57-8A-204)</p>
<p><b>Vermont</b></p> <p>Uniform Common Interest Ownership Act, 27A VSA §1-01 through 27A VSA 4-120</p>	<p>[No licensing or government agency charged with oversight.]</p> <p>The association has a statutory lien on a unit for any assessment levied against that unit or fines imposed against its unit owner. Recording the declaration constitutes record notice and perfection of the lien. No further recording of any claim or lien for assessment under this section is required. (27A VSA §3-116)</p>
<p><b>Virginia</b></p> <p>Common Interest Communities, 54.1-2345 through 54.1-2354</p> <p>Property Owners' Association Act, 55-508 through 55-516.2</p> <p>Common Interest Community Management Fund 55-528 through 55-530.1</p>	<p>Any person, partnership, corporation, or other entity offering management services to a common interest community on or after January 1, 2009, shall hold a valid license issued in accordance with the provisions of this chapter prior to engaging in such management services. (54.1-2346)</p> <p>Creates the Common Interest Community Board, appointed by the governor, to promulgate rules relating to fees paid by community managers, establish criteria for licensure of managers and certification of employees of managers. (54.1-2348 and 54.1-2349)</p> <p>Board may bring suit against any association in violation of laws and regulations and assess penalties for violations. (54.1-2351)</p> <p>Once perfected, the association shall have a lien on every lot for unpaid assessments levied against that lot in accordance with the provisions of this chapter and all lawful provisions of the declaration. The lien, once perfected, shall be prior to all other subsequent liens and encumbrances except (i) real estate tax liens on that lot, (ii) liens and encumbrances recorded prior to the recordation of the declaration, and (iii) sums unpaid on and owing under any mortgage or deed of trust recorded prior to the perfection of said lien. The provisions of this subsection shall not affect the priority of mechanics' and material man's liens. Notice of a memorandum of lien to a holder of a credit line deed of trust under § 55-58.2 shall be given in the same fashion as if the association's lien were a judgment. The association, in order to perfect the lien given by this section, shall file before the expiration of 12 months from the time the first such assessment became due and payable in the clerk's office of the circuit court in the county or city in which such development is situated, a memorandum... The notice shall be sent at least 10 days before the actual filing date of the memorandum of lien. (55-516)</p> <p>"Common interest community" means real estate located within the Commonwealth subject to a declaration which contains lots, at least some of which are residential or occupied for recreational purposes, and common areas to which a person, by virtue of his ownership of a lot, is a member of an association and is obligated to pay assessments provided for in a declaration. (55-528)</p> <p>There is hereby created the Common Interest Community Management Information Fund to be used in the discretion of the Board to promote the improvement and more efficient operation of common interest communities through research and education. (55-529) Fund consists of money paid by community managers, condo owners'</p>

	association, cooperatives, and property owners' associations.
<b>Washington</b>  Homeowner's Associations, 64.38.005 through 64.38.060	[No licensing or government agency charged with oversight.]  [No mention of liens or foreclosure.]  Impose and collect charges for late payments of assessments and, after notice and an opportunity to be heard by the board of directors or by the representative designated by the board of directors and in accordance with the procedures as provided in the bylaws or rules and regulations adopted by the board of directors, levy reasonable fines in accordance with a previously established schedule adopted by the board of directors and furnished to the owners for violation of the bylaws, rules, and regulations of the association. (64.38.020)
<b>West Virginia</b>  Uniform Common Interest Ownership Act, 36B-1-101 through 36B-4-120	[No licensing or government agency charged with oversight.]  The association has a lien on a unit for any assessment levied against that unit or fines imposed against its unit owner from the time the assessment or fine becomes due. Unless the declaration otherwise provides, fees, charges, late charges, fines and interest charged pursuant to section 3- 102(a)(10), (11) and (12) are enforceable as assessments under this section. If an assessment is payable in installments, the full amount of the assessment is a lien from the time the first installment thereof becomes due. (3-116)
<b>Wisconsin</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]
<b>Wyoming</b>	[No HOA/POA laws .] [No licensing or government agency charged with oversight.]

## **Appendix B**

District Name	Creation Date	Status	District Number	District Type	Created By
ADDICKS UTILITY DISTRICT	06/04/71	Active	985000	MUD	Legislature
ALICE WATER AUTHORITY	02/01/62	Active	990000	MUD	Legislature
ATHENS MWA	05/22/57	Active	1085000	MUD	Legislature
BAMMEL UTILITY DISTRICT	05/27/69	Active	1175000	MUD	Legislature
BEACH ROAD MUD	05/26/93	Active	1212800	MUD	Legislature
BEVIL OAKS MUD	06/15/73	Active	1266000	MUD	Legislature
BILMA PUD	06/01/71	Active	1543000	MUD	Legislature
BLAKETREE MUD 1 OF MONTGOMERY COUNTY	06/19/09	Active	1545075	MUD	Legislature
BLUE RIDGE WEST MUD	06/16/67	Active	1548000	MUD	Legislature
BOIS DARC MUD	06/06/79	Active	1556000	MUD	Legislature
BRAZORIA COUNTY MUD 44	06/22/05	Active	1636250	MUD	Legislature
BRAZORIA COUNTY MUD 62	09/01/07	Active	1636565	MUD	Legislature
BURLESON COUNTY MUD 1	06/04/71	Active	1753000	MUD	Legislature
CAPE ROYALE UTILITY DISTRICT	05/21/69	Active	2253800	MUD	Legislature
CHATEAU WOODS MUD	06/16/93	Active	2283270	MUD	Legislature
CIBOLO CREEK MUNICIPAL AUTHORITY	05/24/71	Active	2286000	MUD	Legislature
CINCO MUD 1	05/24/85	Active	2286716	MUD	Legislature
CINCO MUD 2	05/24/85	Active	2286718	MUD	Legislature
CINCO MUD 3	05/24/85	Active	2286720	MUD	Legislature
CINCO MUD 5	05/24/85	Active	2286724	MUD	Legislature
CINCO MUD 6	05/24/85	Active	2286726	MUD	Legislature
CINCO MUD 7	05/24/85	Active	2286728	MUD	Legislature
CINCO MUD 8	05/24/85	Active	2286730	MUD	Legislature
CINCO MUD 9	05/24/85	Active	2286732	MUD	Legislature
CIRCLE T MUD 1	11/03/87	Active	2286900	MUD	Legislature
CIRCLE T MUD 2	08/31/87	Active	2286908	MUD	Legislature
CIRCLE T MUD 3	08/30/87	Active	2286915	MUD	Legislature
CNP UTILITY DISTRICT	06/12/69	Active	1768000	MUD	Legislature
CORYELL CITY WATER SUPPLY DISTRICT	06/06/79	Active	2404400	MUD	Legislature
CROSBY MUD	06/17/65	Active	2412000	MUD	Legislature
CY CHAMP PUD	06/04/71	Active	2412300	MUD	Legislature
CYPRESS CREEK UTILITY DISTRICT	05/06/69	Active	2412500	MUD	Legislature
CYPRESS FOREST PUD	05/13/71	Active	2412700	MUD	Legislature
CYPRESS-KLEIN UTILITY DISTRICT	06/04/71	Active	2412800	MUD	Legislature
CYPRESSWOOD UTILITY DISTRICT	06/01/71	Active	2414500	MUD	Legislature
DELTA COUNTY MUD	06/04/71	Active	2721000	MUD	Legislature
DENTON COUNTY MUD 6	06/23/05	Active	2722060	MUD	Legislature
DOWDELL PUD	06/04/71	Active	2747000	MUD	Legislature
EAST CEDAR CREEK FWSD	08/29/77	Active	2799100	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 3	09/01/01	Active	2802150	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 4	07/07/03	Active	2802200	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 5	06/23/05	Active	2802250	MUD	Legislature

District Name	Creation Date	Status	District Number	District Type	Created By
EAST MONTGOMERY COUNTY MUD 6	06/22/05	Active	2802300	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 7	06/22/05	Active	2802400	MUD	Legislature
EL DORADO UTILITY DISTRICT	06/04/71	Active	2817500	MUD	Legislature
EMERALD BAY MUD	06/19/83	Active	2874000	MUD	Legislature
EMERALD FOREST UTILITY DISTRICT	06/01/71	Active	2875000	MUD	Legislature
ENCANTO REAL UTILITY DISTRICT	06/04/71	Active	2880000	MUD	Legislature
FAIRFIELDS MUD	09/01/07	Active	2892250	MUD	Legislature
FALCONS LAIR UTILITY & RECLAMATION DISTRICT FLYING L PUD	06/15/85 05/29/71	Active	2892650 3055000	MUD	Legislature
FORT BEND COUNTY MUD 134A	08/10/07	Active	3080966	MUD	Legislature
FORT BEND COUNTY MUD 134B	08/10/07	Active	3081099	MUD	Legislature
FORT BEND COUNTY MUD 134C	08/10/07	Active	3081165	MUD	Legislature
FORT BEND COUNTY MUD 167	06/17/05	Active	3079400	MUD	Legislature
FORT BEND COUNTY MUD 189	09/01/07	Active	3079494	MUD	Legislature
FORT BEND COUNTY MUD 190	09/01/07	Active	3077250	MUD	Legislature
FULSHEAR MUD 1	09/01/07	Active	3127500	MUD	Legislature
GALVESTON COUNTY MUD 53	06/22/05	Active	3200285	MUD	Legislature
GALVESTON COUNTY MUD 54	06/17/05	Active	3200990	MUD	Legislature
GALVESTON COUNTY MUD 60	06/17/05	Active	3202401	MUD	Legislature
GOBER MUD	05/23/97	Active	3398000	MUD	Legislature
GRANT ROAD PUD	05/27/71	Active	3406000	MUD	Legislature
GREATER TEXOMA UTILITY AUTHORITY	05/02/79	Active	3413500	MUD	Legislature
GREENWOOD UTILITY DISTRICT	06/11/69	Active	3418000	MUD	Legislature
HACIENDAS DEL NORTE WATER IMPROVEMENT DISTRICT	08/31/81	Active	3470000	MUD	Legislature
HARRIS COUNTY MUD 233	06/19/83	Active	3737534	MUD	Legislature
HARRIS COUNTY MUD 387	09/01/01	Active	3738432	MUD	Legislature
HARRIS COUNTY MUD 406	06/22/05	Active	3737145	MUD	Legislature
HARRIS COUNTY MUD 460	06/22/05	Active	3737142	MUD	Legislature
HARRIS COUNTY MUD 465	06/22/05	Active	3737143	MUD	Legislature
HARRIS COUNTY MUD 494	09/01/07	Active	3737109	MUD	Legislature
HARRIS COUNTY MUD 509	09/01/07	Active	3737177	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 14	05/26/71	Active	3744700	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 15	06/04/71	Active	3744800	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 16	05/26/71	Active	3744900	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 6	05/29/69	Active	3743500	MUD	Legislature
HARRIS COUNTY WCID 132	05/06/69	Active	4241320	MUD	Legislature
HARRIS-MONTGOMERY COUNTIES MUD 386	09/01/01	Active	3738430	MUD	Legislature
HORIZON REGIONAL MUD	11/07/61	Active	2853000	MUD	Legislature
HORSEPEN BAYOU MUD	06/18/69	Active	4649000	MUD	Legislature
IMPERIAL REDEVELOPMENT DISTRICT	06/18/05	Active	4703000	MUD	Legislature
ISAACSON MUD	06/15/89	Active	4757000	MUD	Legislature
JACKRABBIT ROAD PUD	06/04/71	Active	4785000	MUD	Legislature



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KAUFMAN COUNTY MUD 10	08/07/03	Active	5196030	MUD	Legislature
KAUFMAN COUNTY MUD 11	08/07/03	Active	5196040	MUD	Legislature
KAUFMAN COUNTY MUD 12	08/07/03	Active	5196050	MUD	Legislature
KAUFMAN COUNTY MUD 9	08/07/03	Active	5196020	MUD	Legislature
KINGS CROSSING MUD	09/01/07	Active	5196125	MUD	Legislature
LAKE FOREST UTILITY DISTRICT	06/01/71	Active	5307000	MUD	Legislature
LAMAR COUNTY WATER SUPPLY DISTRICT	06/17/67	Active	5336000	MUD	Legislature
LANGHAM CREEK UTILITY DISTRICT	05/22/69	Active	5355000	MUD	Legislature
LANNIUS MUD	06/15/73	Active	5356000	MUD	Legislature
LAS LOMAS MUD 3	05/23/06	Active	5363501	MUD	Legislature
LAS LOMAS MUD 4 OF KAUFMAN COUNTY	09/01/05	Active	5365001	MUD	Legislature
LAVACA COUNTY FLOOD CONTROL DISTRICT 3	04/28/59	Active	5372000	MUD	Legislature
LIVE OAK CREEK MUD 1 OF TARRANT COUNTY	06/23/05	Active	3098750	MUD	Legislature
LONGHORN TOWN UTILITY DISTRICT	06/04/71	Active	5447500	MUD	Legislature
LOS FRESNOS MUD 2	09/01/07	Active	5448500	MUD	Legislature
LOUETTA NORTH PUD	06/04/71	Active	5448900	MUD	Legislature
LOUETTA ROAD UTILITY DISTRICT	06/12/69	Active	5449000	MUD	Legislature
LOWER VALLEY WATER DISTRICT	08/26/85	Active	5505000	MUD	Legislature
LUCE BAYOU PUD	06/01/71	Active	5540000	MUD	Legislature
LUMBERTON MUD	06/12/73	Active	5541000	MUD	Legislature
MAGNOLIA WOODS MUD 1	09/01/07	Active	5662100	MUD	Legislature
MALCOMSON ROAD UTILITY DISTRICT	06/04/71	Active	5662200	MUD	Legislature
MASON CREEK UTILITY DISTRICT	06/04/71	Active	5677000	MUD	Legislature
MATADOR WATER DISTRICT	04/03/75	Active	5679000	MUD	Legislature
MEEKER MUNICIPAL WATER DISTRICT	08/29/77	Active	5812700	MUD	Legislature
MEMORIAL HILLS UTILITY DISTRICT	05/06/69	Active	5813000	MUD	Legislature
MEMORIAL POINT UTILITY DISTRICT	05/26/71	Active	5813500	MUD	Legislature
MONTGOMERY COUNTY MUD 113	09/01/07	Active	5856577	MUD	Legislature
MONTGOMERY COUNTY MUD 119	09/01/07	Active	5857532	MUD	Legislature
MONTGOMERY COUNTY MUD 123	09/01/07	Active	5857538	MUD	Legislature
MONTGOMERY COUNTY MUD 124	09/01/07	Active	5857539	MUD	Legislature
MONTGOMERY COUNTY MUD 6	06/04/71	Active	5857100	MUD	Legislature
MONTGOMERY COUNTY MUD 67	08/26/85	Active	5858102	MUD	Legislature
MONTGOMERY COUNTY MUD 7	06/04/71	Active	5857200	MUD	Legislature
MONTGOMERY COUNTY MUD 9	08/30/71	Active	5857400	MUD	Legislature
MONTGOMERY COUNTY UTILITY DISTRICT 2	06/04/71	Active	5858500	MUD	Legislature
MONTGOMERY COUNTY UTILITY DISTRICT 3	06/04/71	Active	5859000	MUD	Legislature
MONTGOMERY COUNTY UTILITY DISTRICT 4	05/24/71	Active	5859510	MUD	Legislature
NORTH BELT UTILITY DISTRICT	05/06/69	Active	5969000	MUD	Legislature
NORTH FOREST MUD	06/16/67	Active	5983000	MUD	Legislature
NORTH PARK PUD	06/04/71	Active	5997000	MUD	Legislature

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NORTHAMPTON MUD	06/16/67	Active	5968000	MUD	Legislature
NORTHGATE CROSSING MUD 1	06/15/85	Active	5983650	MUD	Legislature
NORTHGATE CROSSING MUD 2	06/14/85	Active	5983700	MUD	Legislature
NORTHWEST FOREST MUD	06/15/77	Active	6027000	MUD	Legislature
NORTHWEST PARK MUD	06/04/71	Active	6042825	MUD	Legislature
OAK MANOR MUD	05/30/63	Active	6180000	MUD	Legislature
OAKMONT PUBLIC UTILITY DISTRICT	06/04/71	Active	6182000	MUD	Legislature
PARKWAY UTILITY DISTRICT	06/11/69	Active	7024000	MUD	Legislature
PASEO DEL ESTE MUD 1	03/27/03	Active	7024900	MUD	Legislature
PASEO DEL ESTE MUD 11	05/29/95	Active	7024825	MUD	Legislature
PASEO DEL ESTE MUD 2	03/27/03	Active	7024950	MUD	Legislature
PASEO DEL ESTE MUD 3	03/27/03	Active	7024975	MUD	Legislature
PASEO DEL ESTE MUD 4	03/27/03	Active	7024988	MUD	Legislature
PASEO DEL ESTE MUD 5	03/27/03	Active	7024994	MUD	Legislature
PASEO DEL ESTE MUD 6	03/27/03	Active	7024997	MUD	Legislature
PASEO DEL ESTE MUD 7	03/27/03	Active	7024999	MUD	Legislature
PASEO DEL ESTE MUD 8	03/27/03	Active	7025002	MUD	Legislature
PASEO DEL ESTE MUD 9	03/27/03	Active	7025001	MUD	Legislature
PINE BOUGH PUD	05/17/71	Active	7104200	MUD	Legislature
PINE VILLAGE PUD	06/04/71	Active	7107000	MUD	Legislature
PLATINUM RANCH MUD 1	09/01/07	Active	7109500	MUD	Legislature
PONDEROSA FOREST UTILITY DISTRICT	05/27/69	Active	7122000	MUD	Legislature
PORT OCONNOR MUD	08/29/77	Active	7143000	MUD	Legislature
PRESTON SUMMIT MUD 1	09/01/07	Active	7155510	MUD	Legislature
PRESTONWOOD FOREST UTILITY DISTRICT	05/06/69	Active	7156000	MUD	Legislature
QUAIL CREEK MUD	06/15/85	Active	7159000	MUD	Legislature
QUAIL VALLEY UTILITY DISTRICT	05/29/69	Active	7160000	MUD	Legislature
RANCH AT CYPRESS CREEK MUD 1	07/27/90	Active	7175400	MUD	Legislature
RAYBURN COUNTRY MUD	06/18/87	Active	7190050	MUD	Legislature
RAYFORD ROAD MUD	05/06/69	Active	7192000	MUD	Legislature
RIVER PLANTATION MUD	05/30/63	Active	7290000	MUD	Legislature
ROCKWALL COUNTY MUD 6	06/17/05	Active	7310594	MUD	Legislature
ROCKWALL COUNTY MUD 7	06/17/05	Active	7310888	MUD	Legislature
ROCKWALL COUNTY MUD 8	06/17/05	Active	7311475	MUD	Legislature
ROCKWALL COUNTY MUD 9	06/17/05	Active	7312650	MUD	Legislature
ROLLING CREEK UTILITY DISTRICT	06/04/71	Active	7315000	MUD	Legislature
ROLLING FORK PUD	06/04/71	Active	7317000	MUD	Legislature
ROMAN FOREST CONSOLIDATED MUD	06/04/71	Active	7319000	MUD	Legislature
ROMAN FOREST PUD 3	06/04/71	Active	7322000	MUD	Legislature
ROMAN FOREST PUD 4	06/04/71	Active	7323000	MUD	Legislature
SAGEMEADOW UTILITY DISTRICT	06/04/71	Active	7404000	MUD	Legislature
SAN YGNACIO MUD	08/01/61	Active	7544500	MUD	Legislature
SEQUOIA IMPROVEMENT DISTRICT	06/17/65	Active	7555500	MUD	Legislature

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SHASLA PUD	05/26/71	Active	7557000	MUD	Legislature
SOMERSET MUD 1	09/01/07	Active	7576150	MUD	Legislature
SOMERSET MUD 2	09/01/07	Active	7576225	MUD	Legislature
SONTERRA MUD	06/22/05	Active	7576450	MUD	Legislature
SOUTH TEXAS WATER AUTHORITY	06/06/79	Active	7585300	MUD	Legislature
SPANISH COVE PUD	05/26/71	Active	7587000	MUD	Legislature
SPENCER ROAD PUD	08/30/71	Active	7589000	MUD	Legislature
SPRING CREEK FOREST PUD	06/04/71	Active	7591700	MUD	Legislature
SPRING CREEK UTILITY DISTRICT	06/04/71	Active	7591800	MUD	Legislature
SPRING MEADOWS MUD	05/06/99	Active	7593030	MUD	Legislature
SUNRISE MUD OF HUNT COUNTY	05/21/05	Active	7634150	MUD	Legislature
THE COLONY MUD 1A	09/01/03	Active	4114750	MUD	Legislature
THE COLONY MUD 1E	09/01/03	Active	3046157	MUD	Legislature
THE COLONY MUD 1F	09/01/03	Active	2969829	MUD	Legislature
THE WOODLANDS MUD 2	06/16/67	Active	8740000	MUD	Legislature
THUNDERBIRD UTILITY DISTRICT	05/26/71	Active	7781500	MUD	Legislature
TIMBER LANE UTILITY DISTRICT	05/29/69	Active	7786000	MUD	Legislature
TIMBERLAKE IMPROVEMENT DISTRICT	06/16/65	Active	7784000	MUD	Legislature
TRADITION MUD 1OF DENTON COUNTY	12/05/06	Active	7809500	MUD	Legislature
TRAVIS COUNTY MUD 3	05/28/95	Active	7822200	MUD	Legislature
TRAVIS COUNTY MUD 4	05/28/95	Active	7822400	MUD	Legislature
TRAVIS COUNTY MUD 5	05/28/95	Active	7822600	MUD	Legislature
TRAVIS COUNTY MUD 6	05/28/95	Active	7822800	MUD	Legislature
TRAVIS COUNTY MUD 7	05/28/95	Active	7823000	MUD	Legislature
TRAVIS COUNTY MUD 8	05/28/95	Active	7823200	MUD	Legislature
TRAVIS COUNTY MUD 9	05/28/95	Active	7823400	MUD	Legislature
UNION VALLEY RANCH MUD OF HUNT COUNTY	05/24/05	Active	8095000	MUD	Legislature
VARNER CREEK UTILITY DISTRICT	05/24/71	Active	8271000	MUD	Legislature
VERANDAH MUD	06/17/05	Active	8272200	MUD	Legislature
WALLER COUNTY MUD 1	09/01/07	Active	8341250	MUD	Legislature
WEST CEDAR CREEK MUD	06/03/75	Active	8469000	MUD	Legislature
WEST JEFFERSON COUNTY MUNICIPAL WATER DISTRICT	08/29/77	Active	8473300	MUD	Legislature
WEST TRAVIS COUNTY MUD 3	08/28/89	Active	8488000	MUD	Legislature
WEST TRAVIS COUNTY MUD 5	08/28/89	Active	8488600	MUD	Legislature
WILLIAMSON COUNTY MUD 12	09/01/03	Active	8664558	MUD	Legislature
WILLIAMSON COUNTY MUD 13	09/01/03	Active	8664560	MUD	Legislature
WILLIAMSON COUNTY MUD 19	06/23/05	Active	8664035	MUD	Legislature
WILLIAMSON COUNTY WATER SEWER IRRIGATION AND DRAINAGE DIST 3	06/18/87	Active	8669500	MUD	Legislature
WILLOW CREEK FARMS MUD	09/01/07	Active	8672500	MUD	Legislature
WILMER UTILITY DISTRICT	06/18/87	Active	8679700	MUD	Legislature
WINDFERN FOREST UTILITY DISTRICT	06/04/71	Active	8680500	MUD	Legislature
WOOD TRACE MUD 1	05/18/91	Active	8755000	MUD	Legislature

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YORK VALLEY MUD	09/01/07	Active	8815000	MUD	Legislature
3 B&J MUD	09/01/07	Inactive	2080008	MUD	Legislature
ALDINE PUD	06/04/71	Inactive	987000	MUD	Legislature
BASTROP COUNTY MUD 2	06/19/09	Inactive	1206300	MUD	Legislature
BEAR CREEK MUD	06/04/71	Inactive	1213000	MUD	Legislature
BELLFORT PUD	05/11/71	Inactive	1258500	MUD	Legislature
BOOTH RANCH MUD	09/01/07	Inactive	1561750	MUD	Legislature
BRAZORIA COUNTY MUD 63	06/19/09	Inactive	1636569	MUD	Legislature
BRAZORIA COUNTY MUD 64	06/19/09	Inactive	1636573	MUD	Legislature
BRAZORIA COUNTY MUD 65	06/19/09	Inactive	1636577	MUD	Legislature
BROOKELAND MUD	05/14/93	Inactive	1703300	MUD	Legislature
BROWNS RANCH MUD 1 OF GRAYSON COUNTY	09/01/09	Inactive	1722500	MUD	Legislature
BURNET COUNTY MUD 3	06/19/09	Inactive	1758875	MUD	Legislature
CALDWELL COUNTY MUD 1	06/19/09	Inactive	1862500	MUD	Legislature
CALHOUN COUNTY MUD 1	09/01/07	Inactive	1887500	MUD	Legislature
CHAMBERS COUNTY IMPROVEMENT DISTRICT 3	06/19/09	Inactive	2265450	MUD	Legislature
CLEAR CREEK FOREST MUD 1	06/14/85	Inactive	2298152	MUD	Legislature
CLEAR CREEK FOREST MUD 2	06/14/85	Inactive	2298154	MUD	Legislature
CLEARWATER RANCH MUD 1	06/19/09	Inactive	2306750	MUD	Legislature
CLL MUD 1	05/25/05	Inactive	2307075	MUD	Legislature
DALLAS COUNTY IMPROVEMENT DISTRICT	06/14/89	Inactive	2575500	MUD	Legislature
DALLAS COUNTY MUD 3	06/17/05	Inactive	2619501	MUD	Legislature
DENTON COUNTY MUD 7	09/01/07	Inactive	2722080	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 10	06/21/05	Inactive	2801875	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 11	06/22/05	Inactive	2801813	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 12	06/22/05	Inactive	2801782	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 13	06/21/05	Inactive	2801750	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 14	06/21/05	Inactive	2801300	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 8	06/21/05	Inactive	2802600	MUD	Legislature
EAST MONTGOMERY COUNTY MUD 9	06/21/05	Inactive	2802800	MUD	Legislature
ENCHANTED PLACE PUD	06/01/71	Inactive	2890000	MUD	Legislature
FORT BEND COUNTY MUD 177	06/22/05	Inactive	3079450	MUD	Legislature
FORT BEND COUNTY MUD 183	09/01/07	Inactive	3079482	MUD	Legislature
FORT BEND COUNTY MUD 192	06/19/09	Inactive	3076688	MUD	Legislature
FORT BEND COUNTY MUD 200	06/19/09	Inactive	3079551	MUD	Legislature
FORT BEND COUNTY MUD 201	06/19/09	Inactive	3079558	MUD	Legislature
FORT BEND COUNTY MUD 202	06/19/09	Inactive	3079564	MUD	Legislature
FORT BEND COUNTY MUD 203	06/19/09	Inactive	3079576	MUD	Legislature
FORT BEND COUNTY MUD 204	06/19/09	Inactive	3079588	MUD	Legislature
FORT BEND-WALLER COUNTIES MUD 2	06/19/09	Inactive	3093625	MUD	Legislature
FOUR SEASONS RANCH MUD 1	09/01/07	Inactive	3099550	MUD	Legislature
GALVESTON COUNTY MUD 61	06/17/05	Inactive	3202402	MUD	Legislature

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GALVESTON COUNTY MUD 62	06/17/05	Inactive	3202405	MUD	Legislature
GALVESTON COUNTY MUD 63	06/17/05	Inactive	3202408	MUD	Legislature
GALVESTON COUNTY MUD 64	06/17/05	Inactive	3202409	MUD	Legislature
GALVESTON COUNTY MUD 65	09/01/07	Inactive	3202508	MUD	Legislature
GALVESTON COUNTY MUD 76	06/19/09	Inactive	3207408	MUD	Legislature
GARFIELD MUD 1	06/20/03	Inactive	3387000	MUD	Legislature
GOODWATER MUD 1	06/19/09	Inactive	3401000	MUD	Legislature
GRAY COUNTY MUD 1	06/19/09	Inactive	3408000	MUD	Legislature
GUADALUPE COUNTY MUD 3	06/19/09	Inactive	3424000	MUD	Legislature
GUNTER MUD 1	09/01/07	Inactive	3754750	MUD	Legislature
GUNTER MUD 2	09/01/07	Inactive	4049500	MUD	Legislature
HARDIN STORE ROAD MUD 1	09/01/07	Inactive	3560000	MUD	Legislature
HARRIS COUNTY MUD 317	06/14/85	Inactive	3737830	MUD	Legislature
HARRIS COUNTY MUD 318	06/14/85	Inactive	3737832	MUD	Legislature
HARRIS COUNTY MUD 319	06/14/85	Inactive	3737834	MUD	Legislature
HARRIS COUNTY MUD 388	08/20/01	Inactive	3738434	MUD	Legislature
HARRIS COUNTY MUD 437	09/01/07	Inactive	3737115	MUD	Legislature
HARRIS COUNTY MUD 438	09/01/07	Inactive	3737111	MUD	Legislature
HARRIS COUNTY MUD 464	09/01/05	Inactive	3737150	MUD	Legislature
HARRIS COUNTY MUD 478	06/19/09	Inactive	3742100	MUD	Legislature
HARRIS COUNTY MUD 495	05/27/09	Inactive	3739608	MUD	Legislature
HARRIS COUNTY MUD 510	09/01/07	Inactive	3737153	MUD	Legislature
HARRIS COUNTY MUD 525	05/27/09	Inactive	3737254	MUD	Legislature
HAYS COUNTY MUD 6	09/01/07	Inactive	4420810	MUD	Legislature
HIGHLAND MUD	06/16/67	Inactive	4635000	MUD	Legislature
HOOD COUNTY GRANDBURY MUD 1	09/01/09	Inactive	4644500	MUD	Legislature
KIMBERLIN RANCH MUD 1	09/01/08	Inactive	5193625	MUD	Legislature
KIMBERLIN RANCH MUD 2	09/01/07	Inactive	5193563	MUD	Legislature
KIMBERLIN RANCH MUD 3	09/01/07	Inactive	5193657	MUD	Legislature
KINGSBOROUGH MUD 1	08/07/03	Inactive	5196010	MUD	Legislature
LAKE GRANBURY WATER IMPROVEMENT DISTRICT	06/17/01	Inactive	5310100	MUD	Legislature
LAKE TEXOMA MUD 1	09/01/09	Inactive	5322020	MUD	Legislature
LAKE WEATHERFORD MUD 1	06/19/09	Inactive	5313794	MUD	Legislature
LAKE WEATHERFORD MUD 2	06/19/09	Inactive	5312397	MUD	Legislature
LAKESIDE UTILITY & RECLAMATION DISTRICT	06/19/87	Inactive	5313000	MUD	Legislature
LIBERTY COUNTY MUD 5	09/01/07	Inactive	5423000	MUD	Legislature
LIBERTY COUNTY MUD 6	06/19/09	Inactive	5426500	MUD	Legislature
LIBERTY PUD	06/04/71	Inactive	5438500	MUD	Legislature
LONG ISLAND UTILITY DISTRICT	08/30/71	Inactive	5448150	MUD	Legislature
MAVERICK IMPROVEMENT DISTRICT OF PALO PINTO COUNTY	09/01/09	Inactive	5786100	MUD	Legislature
MAY PUD	06/04/71	Inactive	5787200	MUD	Legislature
MCKINNEY MUD 1 OF COLLIN COUNTY	09/01/07	Inactive	5790750	MUD	Legislature

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MCKINNEY MUD 2 OF COLLIN COUNTY	09/01/07	Inactive	5791875	MUD	Legislature
MONTGOMERY COUNTY MUD 100	05/30/05	Inactive	5857170	MUD	Legislature
MONTGOMERY COUNTY MUD 101	05/30/05	Inactive	5857355	MUD	Legislature
MONTGOMERY COUNTY MUD 102	09/01/07	Inactive	5857379	MUD	Legislature
MONTGOMERY COUNTY MUD 104	09/01/07	Inactive	5857402	MUD	Legislature
MONTGOMERY COUNTY MUD 114	09/01/07	Inactive	5857047	MUD	Legislature
MONTGOMERY COUNTY MUD 117	09/01/07	Inactive	5857531	MUD	Legislature
MONTGOMERY COUNTY MUD 118	06/19/09	Inactive	5862625	MUD	Legislature
MONTGOMERY COUNTY MUD 121	09/01/07	Inactive	5857535	MUD	Legislature
MONTGOMERY COUNTY MUD 128	09/01/09	Inactive	5867542	MUD	Legislature
MONTGOMERY COUNTY MUD 129	09/01/09	Inactive	5862635	MUD	Legislature
MONTGOMERY COUNTY MUD 66	06/15/85	Inactive	5858100	MUD	Legislature
MONTGOMERY COUNTY MUD 68	06/14/85	Inactive	5858104	MUD	Legislature
MONTGOMERY COUNTY MUD 71	06/15/85	Inactive	5858110	MUD	Legislature
MONTGOMERY COUNTY MUD 85	05/18/91	Inactive	5858135	MUD	Legislature
MONTGOMERY COUNTY MUD 86	05/18/91	Inactive	5858140	MUD	Legislature
MONTGOMERY COUNTY MUD 87	05/24/93	Inactive	5858150	MUD	Legislature
NORTHEAST GROWTH CORRIDOR WSI&D DISTRICT 1	06/15/89	Inactive	5980250	MUD	Legislature
NORTHEAST GROWTH CORRIDOR WSI&D DISTRICT 2	06/15/89	Inactive	5980275	MUD	Legislature
NORTHWEST WILLIAMSON COUNTY MUD 1	06/19/09	Inactive	6042864	MUD	Legislature
PINE FOREST MUD	05/26/71	Inactive	7104250	MUD	Legislature
RANDALL COUNTY MUD 1	09/01/07	Inactive	7175750	MUD	Legislature
ROBIN PUD	06/04/71	Inactive	7293000	MUD	Legislature
SAN GABRIEL MUD 1	09/01/09	Inactive	7468500	MUD	Legislature
SANGANI RANCH MUD 1	09/01/07	Inactive	7501500	MUD	Legislature
SCHERTZ MUD 1	06/17/05	Inactive	7546000	MUD	Legislature
SEVEN OAKS RANCH MUD	09/01/09	Inactive	7571245	MUD	Legislature
SOMERSET MUD 3	06/19/09	Inactive	7576263	MUD	Legislature
SOUTH FORK RANCH MUD	06/19/09	Inactive	7579450	MUD	Legislature
SOUTHEAST MONTGOMERY COUNTY MUD 1	09/01/07	Inactive	7577855	MUD	Legislature
SOUTHWEST DENTON COUNTY ROAD & UTILITY DIST	05/22/95	Inactive	7586100	MUD	Legislature
THE COLONY MUD 1B	09/01/03	Inactive	4114751	MUD	Legislature
THE COLONY MUD 1C	09/01/03	Inactive	3504125	MUD	Legislature
THE COLONY MUD 1D	09/01/03	Inactive	3198813	MUD	Legislature
THE COLONY MUD 1G	09/01/03	Inactive	2931665	MUD	Legislature
TRADITION MUD 2 OF DENTON COUNTY	09/01/07	Inactive	7810250	MUD	Legislature
TRAVIS-CREEDMOOR MUD	09/01/07	Inactive	7899000	MUD	Legislature
TRUE RANCH MUD 1	09/01/07	Inactive	8014625	MUD	Legislature
TWIN LAKES MUD 1 OF KAUFMAN COUNTY	06/19/09	Inactive	8018500	MUD	Legislature
VAN ALSTYNE MUD 1 OF GRAYSON COUNTY	06/19/09	Inactive	8270150	MUD	Legislature
WALLER COUNTY MUD 13	06/19/09	Inactive	8341485	MUD	Legislature

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WALLER COUNTY MUD 14	06/19/09	Inactive	8341719	MUD	Legislature
WALLER COUNTY MUD 15	06/19/09	Inactive	8342188	MUD	Legislature
WALLER COUNTY MUD 2	09/01/07	Inactive	8343125	MUD	Legislature
WALLER COUNTY MUD 3	09/01/07	Inactive	8344063	MUD	Legislature
WALLER COUNTY MUD 9	06/19/09	Inactive	8344532	MUD	Legislature
WEST GALVESTON ISLAND CONSERVATION DISTRICT	06/17/01	Inactive	8472560	MUD	Legislature
WHEELER COUNTY WATER SUPPLY DISTRICT	09/29/83	Inactive	8531000	MUD	Legislature
WILLIAMSON COUNTY MUD 14	09/01/03	Inactive	8664280	MUD	Legislature
WILLIAMSON COUNTY MUD 16	09/01/05	Inactive	8664210	MUD	Legislature
WILLIAMSON COUNTY MUD 21	06/22/05	Inactive	8664250	MUD	Legislature
WILLIAMSON COUNTY MUD 22	06/22/05	Inactive	8664375	MUD	Legislature
WILLIAMSON-LIBERTY HILL MUD	09/01/07	Inactive	8669375	MUD	Legislature
WOOD TRACE MUD 2	05/18/91	Inactive	8755100	MUD	Legislature
WOOD TRACE MUD 3	04/22/91	Inactive	8755200	MUD	Legislature
XS RANCH MUD	06/19/09	Inactive	8785000	MUD	Legislature
ZAPATA COUNTY MUD 2	06/22/05	Inactive	8829000	MUD	Legislature
ALAMO CONSERVATION & REUSE DISTRICT	6/16/1989	Dissolved	985500	MUD	Legislature
ARGYLE MUD	6/19/1983	Dissolved	1049000	MUD	Legislature
BAYFIELD PUD	6/4/1971	Dissolved	1208000	MUD	Legislature
BEAUMONT PLACE UTILITY DISTRICT	6/1/1971	Dissolved	1216000	MUD	Legislature
BELTWAY MUD	5/27/1971	Dissolved	1259000	MUD	Legislature
BOOKER PUD	5/17/1971	Dissolved	1561300	MUD	Legislature
BROUSSARD SEWAGE DISTRICT	6/19/1983	Dissolved	1712000	MUD	Legislature
BUFFALO CAMP FARMS PUD	6/4/1971	Dissolved	1747000	MUD	Legislature
CANDLEWOOD MUD	5/22/1969	Dissolved	2253400	MUD	Legislature
CEDAR BAYOU MUD	6/2/1971	Dissolved	2256500	MUD	Legislature
CINCO MUD 4	5/24/1985	Dissolved	2286722	MUD	Legislature
CITY OF CITIES MUD	6/16/1967	Dissolved	2288000	MUD	Legislature
CITY OF FORT WORTH MUD 1	6/23/2005	Dissolved	4037975	MUD	Legislature
CLIFFS MUD	6/19/1987	Dissolved	2307050	MUD	Legislature
COLONY HILLS PUD	6/4/1971	Dissolved	2331000	MUD	Legislature
COLONY MUD 1	9/1/2003	Dissolved	2333000	MUD	Legislature
CONCORD PUD	5/26/1971	Dissolved	2402500	MUD	Legislature
CORINTHIAN POINT UTILITY DISTRICT	6/4/1971	Dissolved	2404300	MUD	Legislature
DEL MAR CONSERVATION DISTRICT	5/22/1959	Dissolved	2698000	MUD	Legislature
DOVE MEADOWS MUD	6/4/1971	Dissolved	2745000	MUD	Legislature
EL PASO COUNTY LOWER VALLEY WATER DISTRICT AUTHORITY		Dissolved	2851300	MUD	Legislature
EL PASO COUNTY MUD 2	5/29/1995	Dissolved	2851360	MUD	Legislature
ENCHANTED VALLEY PUD	6/4/1971	Dissolved	2890500	MUD	Legislature
FANNETT SEWAGE DISTRICT	6/19/1983	Dissolved	2894000	MUD	Legislature
FORT BEND COUNTY MUD 13	8/29/1977	Dissolved	3079090	MUD	Legislature
FORT BEND COUNTY MUD 20	6/16/1967	Dissolved	3079501	MUD	Legislature

District Name	Creation Date	Status	District Number	District Type	Created By
FRISCO MUD 1	6/18/1987	Dissolved	3111000	MUD	Legislature
GALVESTON COUNTY MUD 1	6/17/1965	Dissolved	3201000	MUD	Legislature
GALVESTON COUNTY MUD 67	6/22/2005	Dissolved	3202403	MUD	Legislature
GALVESTON COUNTY WATER AUTHORITY		Dissolved	3215000	MUD	Legislature
GLEN HOLLOW PUD	5/17/1971	Dissolved	3392000	MUD	Legislature
GLENSHIRE MUD	5/27/1969	Dissolved	3393000	MUD	Legislature
GREATER TEXOMA MUD	5/2/1979	Dissolved	3413499	MUD	Legislature
GREENBRIAR UTILITY DISTRICT	6/10/1969	Dissolved	3416000	MUD	Legislature
GREENS PUD	6/1/1971	Dissolved	3417500	MUD	Legislature
GULFWAY UTILITY DISTRICT	5/27/1969	Dissolved	3460000	MUD	Legislature
HAMSHIRE MUD	5/16/1995	Dissolved	3495000	MUD	Legislature
HANNAH NASH PUD	5/26/1971	Dissolved	3500000	MUD	Legislature
HARRIS COUNTY MUD 311	6/14/1985	Dissolved	3737816	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 1	5/6/1969	Dissolved	3741000	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 10	5/26/1971	Dissolved	3744300	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 11	5/26/1971	Dissolved	3744400	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 12	5/26/1971	Dissolved	3744500	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 13	5/27/1971	Dissolved	3744600	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 2	5/21/1969	Dissolved	3741500	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 3	5/6/1969	Dissolved	3742000	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 8	6/4/1971	Dissolved	3744100	MUD	Legislature
HARRIS COUNTY UTILITY DISTRICT 9	5/26/1971	Dissolved	3744200	MUD	Legislature
HILLEBRANDT SEWAGE DISTRICT	6/19/1983	Dissolved	4638000	MUD	Legislature
HOLIDAY HILLS PUD	6/1/1971	Dissolved	4641000	MUD	Legislature
HOMESTEAD MUD	1/20/1990	Dissolved	4643500	MUD	Legislature
HOMESTEAD MUD 1	8/26/1985	Dissolved	4643000	MUD	Legislature
HOMESTEAD MUD 2	8/26/1985	Dissolved	4643010	MUD	Legislature
HUFFSMITH ROAD PUD	6/4/1971	Dissolved	4691000	MUD	Legislature
IMPERIAL VALLEY MUD	6/17/1965	Dissolved	4704000	MUD	Legislature
INDIAN SPRINGS UTILITY DISTRICT	6/4/1971	Dissolved	4711000	MUD	Legislature
ITASCA MWD	6/6/1979	Dissolved	4760000	MUD	Legislature
JETERO PUD	6/4/1971	Dissolved	5055000	MUD	Legislature
KAUFMAN COUNTY MUD 10	9/1/2003	Dissolved	5189399	MUD	Legislature
KAUFMAN COUNTY MUD 11	9/1/2003	Dissolved	5189898	MUD	Legislature
KAUFMAN COUNTY MUD 12	2/3/2006	Dissolved	5189038	MUD	Legislature
KAUFMAN COUNTY MUD 9	9/1/2003	Dissolved	5189794	MUD	Legislature
KNOLLWOOD PUD	6/4/1971	Dissolved	5197800	MUD	Legislature
KUYKENDAHL ROAD PUD 1	6/4/1971	Dissolved	5240000	MUD	Legislature
KUYKENDAHL ROAD PUD 2	6/4/1971	Dissolved	5250000	MUD	Legislature
LA PORTE UTILITY DISTRICT	6/4/1971	Dissolved	5357000	MUD	Legislature
LAKE TURNER MUD 1		Dissolved	5322040	MUD	Legislature
LAKE TURNER MUD 2		Dissolved	5322060	MUD	Legislature
LAKE TURNER MUD 3		Dissolved	5322080	MUD	Legislature



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LITTLE YORK MUD	6/16/1967	Dissolved	5443000	MUD	Legislature
MANNING UTILITY DISTRICT	5/22/1969	Dissolved	5662500	MUD	Legislature
MCALLEN FOREIGN TRADE ZONE UTILITY DISTRICT	6/4/1971	Dissolved	5787500	MUD	Legislature
MEADOWS MUD	6/16/1967	Dissolved	5798500	MUD	Legislature
MEMORIAL WEST UTILITY DISTRICT	5/22/1969	Dissolved	5817000	MUD	Legislature
MID-TEX REGIONAL WATER SUPPLY DISTRICT	6/11/1981	Dissolved	5839000	MUD	Legislature
MONTGOMERY COUNTY MUD 120	9/1/2007	Dissolved	5857534	MUD	Legislature
MONTGOMERY COUNTY MUD 5	6/4/1971	Dissolved	5857000	MUD	Legislature
MONTGOMERY COUNTY MUD 69	6/15/1985	Dissolved	5858106	MUD	Legislature
MONTGOMERY COUNTY MUD 70	6/15/1985	Dissolved	5858108	MUD	Legislature
MONTGOMERY COUNTY MUD 72	6/15/1985	Dissolved	5858112	MUD	Legislature
MONTGOMERY COUNTY MUD 73	6/15/1985	Dissolved	5858114	MUD	Legislature
MONTGOMERY COUNTY MUD 74	6/15/1985	Dissolved	5858116	MUD	Legislature
MONTGOMERY COUNTY UTILITY DISTRICT 4	5/24/1971	Dissolved	5859500	MUD	Legislature
MOSSY OAKS UTILITY DISTRICT	6/1/1971	Dissolved	5890000	MUD	Legislature
MOWAD WATER DISTRICT	6/14/1985	Dissolved	5890600	MUD	Legislature
NORTH CHEEK SEWAGE DISTRICT	6/19/1983	Dissolved	5980200	MUD	Legislature
NORTH LABELLE SEWAGE DISTRICT	6/19/1983	Dissolved	5985000	MUD	Legislature
NORTHBROOK MUD	6/4/1971	Dissolved	5971000	MUD	Legislature
NORTHEAST TARRANT COUNTY WATER DISTRICT	8/29/1977	Dissolved	5981200	MUD	Legislature
NORTHWEST HARRIS COUNTY MUD 7	6/16/1965	Dissolved	6041170	MUD	Legislature
NORTHWEST HARRIS COUNTY PUD 1	6/4/1971	Dissolved	6042001	MUD	Legislature
NORTHWEST HARRIS COUNTY PUD 2	6/4/1971	Dissolved	6042501	MUD	Legislature
NORTHWEST HARRIS COUNTY PUD 3	6/4/1971	Dissolved	6042700	MUD	Legislature
NORTHWEST MUD	6/4/1971	Dissolved	6042800	MUD	Legislature
OAK RIDGE MUD	6/16/1967	Dissolved	6185000	MUD	Legislature
PARKER COUNTY TEXAS UTILITY DISTRICT	5/20/1975	Dissolved	7022300	MUD	Legislature
PASEO DEL ESTE MUD	5/18/1997	Dissolved	7024800	MUD	Legislature
PINE FOREST PUD	5/17/1971	Dissolved	7104300	MUD	Legislature
PINEY CREEK MUD	6/14/1989	Dissolved	7107500	MUD	Legislature
POST OAK ROAD MUD	5/21/1969	Dissolved	7146000	MUD	Legislature
PRESTONWOOD PUD	6/4/1971	Dissolved	7157000	MUD	Legislature
RAYBURN MUD	6/6/1979	Dissolved	7190025	MUD	Legislature
ROMAN FOREST PUD 1	6/4/1971	Dissolved	7320000	MUD	Legislature
ROMAN FOREST PUD 2	6/4/1971	Dissolved	7321000	MUD	Legislature
ROMAN FOREST PUD 5	6/4/1971	Dissolved	7324000	MUD	Legislature
ROMAN FOREST PUD 6	6/4/1971	Dissolved	7325000	MUD	Legislature
S E THOMPSON MUD 1	6/14/1985	Dissolved	7778800	MUD	Legislature
SAN JACINTO PLACE MUD 1	8/29/1983	Dissolved	7485100	MUD	Legislature
SAN JACINTO PLACE MUD 2	8/29/1983	Dissolved	7485200	MUD	Legislature
SAN JACINTO PLACE MUD 3	8/29/1983	Dissolved	7485300	MUD	Legislature
SAN JACINTO PLACE MUD 4	8/29/1983	Dissolved	7485400	MUD	Legislature

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SAN SIMON MUD	5/14/1973	Dissolved	7536000	MUD	Legislature
SEABOURNE CREEK PUD	6/4/1971	Dissolved	7547000	MUD	Legislature
SOUTH CHEEK SEWAGE DISTRICT	6/19/1983	Dissolved	7576900	MUD	Legislature
SOUTH LABELLE SEWAGE DISTRICT	6/19/1983	Dissolved	7579600	MUD	Legislature
SPRING PUD	5/26/1971	Dissolved	7593500	MUD	Legislature
SUNMEADOW MUD	6/16/1967	Dissolved	7633000	MUD	Legislature
TALL TIMBERS UTILITY DISTRICT	6/4/1971	Dissolved	7641000	MUD	Legislature
THE COLONY MUD 1	9/1/2003	Dissolved	4114749	MUD	Legislature
THOMPSON ROAD UTILITY DISTRICT	5/1/1969	Dissolved	7779000	MUD	Legislature
TIDWELL TIMBERS MUD	6/16/1967	Dissolved	7782000	MUD	Legislature
TIGER LAKE UTILITY DISTRICT	6/4/1971	Dissolved	7783300	MUD	Legislature
VILLAGE PUD	5/17/1971	Dissolved	8323000	MUD	Legislature
WEST FORK MUD		Dissolved	8472500	MUD	Legislature
WEST ROAD IMPROVEMENT DISTRICT	6/17/1965	Dissolved	8476000	MUD	Legislature
WEST ROAD IMPROVEMENT DISTRICT	6/17/1965	Dissolved	8475000	MUD	Legislature
WEST TRAVIS COUNTY MUD 4	8/28/1989	Dissolved	8488500	MUD	Legislature
WESTCREST UTILITY DISTRICT	5/27/1971	Dissolved	8471500	MUD	Legislature
WESTHEIMER ROAD MUD	6/16/1967	Dissolved	8473000	MUD	Legislature
WESTWAY UTILITY DISTRICT	5/26/1971	Dissolved	8494000	MUD	Legislature
WILLIAMSON COUNTY WATER SEWER IRRIGATION AND DRAINAGE DIST 1	6/18/1987	Dissolved	8669000	MUD	Legislature
WILLIAMSON-TRAVIS COUNTIES WCID 1-B		Dissolved	8671700	MUD	Legislature
WINDSWEPT UTILITY DISTRICT	6/4/1971	Dissolved	8682000	MUD	Legislature
WINNSBORO QUITMAN WATER DISTRICT	5/30/1981	Dissolved	8682500	MUD	Legislature
WISE COUNTY MUD 1	4/30/1973	Dissolved	8684000	MUD	Legislature
WISE COUNTY MUD 2	4/30/1973	Dissolved	8684100	MUD	Legislature
WOODFOREST NORTH UTILITY DISTRICT	6/4/1971	Dissolved	8720000	MUD	Legislature
ZAPATA COUNTY WCID SAN YGNACIO		Dissolved	8835000	MUD	Legislature

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ACTON MUD	07/21/82	Active	980502	MUD	TCEQ
ANDERSON MILL MUD	04/29/74	Active	1002500	MUD	TCEQ
ARANSAS COUNTY MUD 1	08/15/73	Active	1038000	MUD	TCEQ
ARCHER COUNTY MUD 1	03/21/73	Active	1048000	MUD	TCEQ
BAKER ROAD MUD	11/15/83	Active	1173000	MUD	TCEQ
BARKER CYPRESS MUD	02/20/74	Active	1204000	MUD	TCEQ
BASTROP COUNTY MUD 1	06/25/99	Active	1206100	MUD	TCEQ
BAY COLONY WEST MUD	03/02/04	Active	1207901	MUD	TCEQ
BAYBROOK MUD 1	07/09/84	Active	1207570	MUD	TCEQ
BEECHNUT MUD	12/09/80	Active	1216400	MUD	TCEQ
BELLA VISTA MUD	11/08/99	Active	1216650	MUD	TCEQ
BELVEDERE MUD	11/30/05	Active	1259500	MUD	TCEQ
BIG OAKS MUD	11/01/83	Active	1542000	MUD	TCEQ
BISSONNET MUD	01/07/74	Active	1544400	MUD	TCEQ
BLOCK HOUSE MUD	01/12/78	Active	1546000	MUD	TCEQ
BRAZORIA COUNTY MUD 16	01/07/87	Active	1636625	MUD	TCEQ
BRAZORIA COUNTY MUD 17	05/21/99	Active	1636630	MUD	TCEQ
BRAZORIA COUNTY MUD 18	05/21/99	Active	1636640	MUD	TCEQ
BRAZORIA COUNTY MUD 19	04/30/99	Active	1636650	MUD	TCEQ
BRAZORIA COUNTY MUD 2	07/16/81	Active	1635000	MUD	TCEQ
BRAZORIA COUNTY MUD 21	06/18/01	Active	1636652	MUD	TCEQ
BRAZORIA COUNTY MUD 22	06/18/01	Active	1636654	MUD	TCEQ
BRAZORIA COUNTY MUD 23	12/18/01	Active	1636656	MUD	TCEQ
BRAZORIA COUNTY MUD 24	08/27/04	Active	1636658	MUD	TCEQ
BRAZORIA COUNTY MUD 25	12/18/01	Active	1636660	MUD	TCEQ
BRAZORIA COUNTY MUD 26	03/18/02	Active	1636662	MUD	TCEQ
BRAZORIA COUNTY MUD 28	02/27/03	Active	1636666	MUD	TCEQ
BRAZORIA COUNTY MUD 29	05/28/04	Active	1636083	MUD	TCEQ
BRAZORIA COUNTY MUD 3	07/16/81	Active	1635500	MUD	TCEQ
BRAZORIA COUNTY MUD 30	11/01/04	Active	1635563	MUD	TCEQ
BRAZORIA COUNTY MUD 31	09/02/05	Active	1635594	MUD	TCEQ
BRAZORIA COUNTY MUD 34	08/30/04	Active	1635625	MUD	TCEQ
BRAZORIA COUNTY MUD 35	07/08/04	Active	1635750	MUD	TCEQ
BRAZORIA COUNTY MUD 36	12/29/04	Active	1635875	MUD	TCEQ
BRAZORIA COUNTY MUD 39	01/23/07	Active	1635938	MUD	TCEQ
BRAZORIA COUNTY MUD 4	12/15/80	Active	1636000	MUD	TCEQ
BRAZORIA COUNTY MUD 40	01/23/07	Active	1636125	MUD	TCEQ
BRAZORIA COUNTY MUD 5	03/18/81	Active	1636500	MUD	TCEQ
BRAZORIA COUNTY MUD 55	08/16/07	Active	1636525	MUD	TCEQ
BRAZORIA COUNTY MUD 56	08/16/07	Active	1636538	MUD	TCEQ
BRAZORIA COUNTY MUD 57	08/16/07	Active	1636544	MUD	TCEQ
BRAZORIA COUNTY MUD 6	04/01/87	Active	1636550	MUD	TCEQ
BRAZORIA-FORT BEND COUNTY MUD 1	06/28/04	Active	1664250	MUD	TCEQ

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BRIDGESTONE MUD	07/29/76	Active	1703000	MUD	TCEQ
BRUSHY CREEK MUD	10/27/77	Active	1738000	MUD	TCEQ
BURNEY ROAD MUD	09/26/84	Active	1762000	MUD	TCEQ
CAMFIELD MUD	12/09/80	Active	2252500	MUD	TCEQ
CANEY CREEK MUD OF MATAGORDA COUNTY	07/06/78	Active	2253675	MUD	TCEQ
CASTLEWOOD MUD	08/21/73	Active	2256400	MUD	TCEQ
CHAMBERS COUNTY MUD 1	03/17/81	Active	2265500	MUD	TCEQ
CHARTERWOOD MUD	08/23/72	Active	2283250	MUD	TCEQ
CHELFORD CITY MUD	01/23/73	Active	2283300	MUD	TCEQ
CHELFORD ONE MUD	12/08/75	Active	2283350	MUD	TCEQ
CHIMNEY HILL MUD	09/16/76	Active	2284300	MUD	TCEQ
CIMARRON MUD	02/09/76	Active	2286690	MUD	TCEQ
CINCO MUD 10	08/20/86	Active	2286734	MUD	TCEQ
CINCO MUD 12	08/20/86	Active	2286738	MUD	TCEQ
CINCO MUD 14	08/20/86	Active	2286742	MUD	TCEQ
CINCO SOUTHWEST MUD 1	05/03/05	Active	2286766	MUD	TCEQ
CINCO SOUTHWEST MUD 2	05/11/05	Active	2286783	MUD	TCEQ
CINCO SOUTHWEST MUD 3	02/09/07	Active	2286792	MUD	TCEQ
CINCO SOUTHWEST MUD 4	03/07/07	Active	2286796	MUD	TCEQ
CLAY ROAD MUD	07/06/78	Active	2296000	MUD	TCEQ
CLEAR BROOK CITY MUD	03/15/72	Active	2297000	MUD	TCEQ
CLOVERCREEK MUD	04/24/85	Active	2307100	MUD	TCEQ
CONROE MUD 1	07/11/06	Active	2403345	MUD	TCEQ
CORINTH MUD 1	05/03/83	Active	2404200	MUD	TCEQ
CORINTHIAN POINT MUD 2	10/26/71	Active	2404210	MUD	TCEQ
CORNERSTONES MUD	02/23/78	Active	2404375	MUD	TCEQ
COTTONWOOD CREEK MUD 1	08/13/01	Active	2404435	MUD	TCEQ
CYPRESS HILL MUD 1	09/24/79	Active	2412750	MUD	TCEQ
DALLAS COUNTY PARK CITIES MUD	09/20/38	Active	2629000	MUD	TCEQ
DENTON COUNTY MUD 4	11/21/02	Active	2722017	MUD	TCEQ
DENTON COUNTY MUD 5	08/22/02	Active	2722019	MUD	TCEQ
ELDRIDGE ROAD MUD	10/15/80	Active	2817650	MUD	TCEQ
ELLIS COUNTY MUD 1	08/10/07	Active	2841000	MUD	TCEQ
FAULKEY GULLY MUD	03/21/73	Active	3028000	MUD	TCEQ
FERN BLUFF MUD	05/27/86	Active	3035500	MUD	TCEQ
FIRST COLONY MUD 10	11/02/04	Active	3037150	MUD	TCEQ
FIRST COLONY MUD 9	05/30/84	Active	3039500	MUD	TCEQ
FOREST HILLS MUD	10/02/74	Active	3059721	MUD	TCEQ
FORT BEND COUNTY MUD 106	04/14/89	Active	3081600	MUD	TCEQ
FORT BEND COUNTY MUD 108	04/14/89	Active	3081800	MUD	TCEQ
FORT BEND COUNTY MUD 109	04/14/89	Active	3081900	MUD	TCEQ
FORT BEND COUNTY MUD 111	07/13/92	Active	3082100	MUD	TCEQ
FORT BEND COUNTY MUD 112	04/14/92	Active	3082200	MUD	TCEQ

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FORT BEND COUNTY MUD 115	07/31/98	Active	3083800	MUD	TCEQ
FORT BEND COUNTY MUD 116	03/18/98	Active	3084500	MUD	TCEQ
FORT BEND COUNTY MUD 117	11/13/98	Active	3084600	MUD	TCEQ
FORT BEND COUNTY MUD 118	08/28/98	Active	3084800	MUD	TCEQ
FORT BEND COUNTY MUD 119	05/28/99	Active	3084830	MUD	TCEQ
FORT BEND COUNTY MUD 121	08/17/99	Active	3084870	MUD	TCEQ
FORT BEND COUNTY MUD 122	11/21/00	Active	3084875	MUD	TCEQ
FORT BEND COUNTY MUD 123	11/21/00	Active	3084880	MUD	TCEQ
FORT BEND COUNTY MUD 124	10/20/00	Active	3084885	MUD	TCEQ
FORT BEND COUNTY MUD 128	01/17/06	Active	3083437	MUD	TCEQ
FORT BEND COUNTY MUD 129	10/24/03	Active	3081988	MUD	TCEQ
FORT BEND COUNTY MUD 130	06/26/01	Active	3084897	MUD	TCEQ
FORT BEND COUNTY MUD 131	03/11/02	Active	3082099	MUD	TCEQ
FORT BEND COUNTY MUD 132	02/23/04	Active	3073625	MUD	TCEQ
FORT BEND COUNTY MUD 133	11/12/03	Active	3077163	MUD	TCEQ
FORT BEND COUNTY MUD 136	04/01/05	Active	3081231	MUD	TCEQ
FORT BEND COUNTY MUD 137	04/01/05	Active	3081497	MUD	TCEQ
FORT BEND COUNTY MUD 138	04/01/05	Active	3081762	MUD	TCEQ
FORT BEND COUNTY MUD 139	04/01/05	Active	3082824	MUD	TCEQ
FORT BEND COUNTY MUD 140	07/15/03	Active	3084947	MUD	TCEQ
FORT BEND COUNTY MUD 141	12/12/03	Active	3084949	MUD	TCEQ
FORT BEND COUNTY MUD 142	07/25/03	Active	3084951	MUD	TCEQ
FORT BEND COUNTY MUD 143	11/04/03	Active	3082126	MUD	TCEQ
FORT BEND COUNTY MUD 144	04/30/03	Active	3080713	MUD	TCEQ
FORT BEND COUNTY MUD 145	03/01/06	Active	3080360	MUD	TCEQ
FORT BEND COUNTY MUD 146	02/18/04	Active	3080007	MUD	TCEQ
FORT BEND COUNTY MUD 147	07/09/04	Active	3079654	MUD	TCEQ
FORT BEND COUNTY MUD 148	07/12/04	Active	3079477	MUD	TCEQ
FORT BEND COUNTY MUD 149	08/21/07	Active	3079455	MUD	TCEQ
FORT BEND COUNTY MUD 150	10/27/04	Active	3079433	MUD	TCEQ
FORT BEND COUNTY MUD 151	09/03/04	Active	3079389	MUD	TCEQ
FORT BEND COUNTY MUD 152	07/15/05	Active	3079345	MUD	TCEQ
FORT BEND COUNTY MUD 155	08/26/05	Active	3079334	MUD	TCEQ
FORT BEND COUNTY MUD 158	06/28/05	Active	3079323	MUD	TCEQ
FORT BEND COUNTY MUD 159	11/29/05	Active	3079312	MUD	TCEQ
FORT BEND COUNTY MUD 161	02/14/06	Active	3079313	MUD	TCEQ
FORT BEND COUNTY MUD 162	08/31/05	Active	3079325	MUD	TCEQ
FORT BEND COUNTY MUD 165	07/28/05	Active	3079350	MUD	TCEQ
FORT BEND COUNTY MUD 169	08/21/07	Active	3079429	MUD	TCEQ
FORT BEND COUNTY MUD 170	08/22/07	Active	3079430	MUD	TCEQ
FORT BEND COUNTY MUD 171	08/21/07	Active	3079431	MUD	TCEQ
FORT BEND COUNTY MUD 176	01/29/07	Active	3079438	MUD	TCEQ
FORT BEND COUNTY MUD 182	03/16/06	Active	3079475	MUD	TCEQ

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FORT BEND COUNTY MUD 185	12/04/06	Active	3079488	MUD	TCEQ
FORT BEND COUNTY MUD 187	05/09/08	Active	3079491	MUD	TCEQ
FORT BEND COUNTY MUD 19	01/10/73	Active	3079500	MUD	TCEQ
FORT BEND COUNTY MUD 194	03/06/08	Active	3076125	MUD	TCEQ
FORT BEND COUNTY MUD 2	07/18/72	Active	3075000	MUD	TCEQ
FORT BEND COUNTY MUD 21	03/10/77	Active	3079600	MUD	TCEQ
FORT BEND COUNTY MUD 23	02/15/78	Active	3079800	MUD	TCEQ
FORT BEND COUNTY MUD 24	02/15/78	Active	3079900	MUD	TCEQ
FORT BEND COUNTY MUD 25	07/18/78	Active	3079915	MUD	TCEQ
FORT BEND COUNTY MUD 26	06/28/78	Active	3079925	MUD	TCEQ
FORT BEND COUNTY MUD 30	06/20/79	Active	3079950	MUD	TCEQ
FORT BEND COUNTY MUD 34	03/10/81	Active	3079958	MUD	TCEQ
FORT BEND COUNTY MUD 35	09/02/81	Active	3079960	MUD	TCEQ
FORT BEND COUNTY MUD 37	02/24/81	Active	3079964	MUD	TCEQ
FORT BEND COUNTY MUD 41	12/14/82	Active	3079972	MUD	TCEQ
FORT BEND COUNTY MUD 42	07/23/81	Active	3079974	MUD	TCEQ
FORT BEND COUNTY MUD 46	01/25/84	Active	3079982	MUD	TCEQ
FORT BEND COUNTY MUD 47	03/08/83	Active	3079984	MUD	TCEQ
FORT BEND COUNTY MUD 48	03/08/83	Active	3079986	MUD	TCEQ
FORT BEND COUNTY MUD 49	07/13/83	Active	3079988	MUD	TCEQ
FORT BEND COUNTY MUD 5	08/05/74	Active	3079000	MUD	TCEQ
FORT BEND COUNTY MUD 50	03/18/86	Active	3079989	MUD	TCEQ
FORT BEND COUNTY MUD 57	11/21/84	Active	3080006	MUD	TCEQ
FORT BEND COUNTY MUD 58	11/21/84	Active	3080008	MUD	TCEQ
FORT BEND COUNTY MUD 66	12/17/86	Active	3080022	MUD	TCEQ
FORT BEND COUNTY MUD 67	03/06/85	Active	3080026	MUD	TCEQ
FORT BEND COUNTY MUD 68	11/21/84	Active	3080028	MUD	TCEQ
FORT BEND COUNTY MUD 69	08/22/84	Active	3080030	MUD	TCEQ
FORT BEND COUNTY MUD 81	03/19/85	Active	3080054	MUD	TCEQ
FORT BEND COUNTY MUD 94	01/08/86	Active	3080080	MUD	TCEQ
FORT CLARK MUD	05/08/72	Active	3094000	MUD	TCEQ
FOUNTAINHEAD MUD	10/27/72	Active	3099500	MUD	TCEQ
FRY ROAD MUD	11/07/73	Active	3112000	MUD	TCEQ
GALVESTON COUNTY MUD 12	09/01/81	Active	3202520	MUD	TCEQ
GALVESTON COUNTY MUD 13	08/31/82	Active	3202522	MUD	TCEQ
GALVESTON COUNTY MUD 14	10/10/84	Active	3202524	MUD	TCEQ
GALVESTON COUNTY MUD 15	10/10/84	Active	3202526	MUD	TCEQ
GALVESTON COUNTY MUD 2	07/28/76	Active	3201200	MUD	TCEQ
GALVESTON COUNTY MUD 29	05/23/89	Active	3202575	MUD	TCEQ
GALVESTON COUNTY MUD 3	01/25/78	Active	3202000	MUD	TCEQ
GALVESTON COUNTY MUD 30	03/14/91	Active	3202580	MUD	TCEQ
GALVESTON COUNTY MUD 31	10/04/01	Active	3202585	MUD	TCEQ
GALVESTON COUNTY MUD 32	07/22/05	Active	3202605	MUD	TCEQ

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GALVESTON COUNTY MUD 39	09/12/01	Active	3202625	MUD	TCEQ
GALVESTON COUNTY MUD 43	06/16/04	Active	3157250	MUD	TCEQ
GALVESTON COUNTY MUD 44	08/10/04	Active	3179825	MUD	TCEQ
GALVESTON COUNTY MUD 45	10/21/04	Active	3191113	MUD	TCEQ
GALVESTON COUNTY MUD 46	10/28/04	Active	3196757	MUD	TCEQ
GALVESTON COUNTY MUD 51	02/10/05	Active	3199579	MUD	TCEQ
GALVESTON COUNTY MUD 52	05/13/05	Active	3199932	MUD	TCEQ
GALVESTON COUNTY MUD 55	02/21/07	Active	3157251	MUD	TCEQ
GALVESTON COUNTY MUD 56	02/21/07	Active	3179826	MUD	TCEQ
GALVESTON COUNTY MUD 57	02/21/07	Active	3157252	MUD	TCEQ
GALVESTON COUNTY MUD 58	02/21/07	Active	3157253	MUD	TCEQ
GALVESTON COUNTY MUD 59	02/21/07	Active	3179827	MUD	TCEQ
GALVESTON COUNTY MUD 6	03/14/79	Active	3202400	MUD	TCEQ
GALVESTON COUNTY MUD 66	09/06/06	Active	3202407	MUD	TCEQ
GALVESTON COUNTY MUD 68	08/23/06	Active	3202411	MUD	TCEQ
GRAND LAKES MUD 1	12/11/85	Active	3403010	MUD	TCEQ
GRAND LAKES MUD 2	12/11/85	Active	3403015	MUD	TCEQ
GRAND LAKES MUD 4	12/11/85	Active	3403020	MUD	TCEQ
GRAND MISSION MUD 1	09/16/86	Active	3403050	MUD	TCEQ
GRAND MISSION MUD 2	09/09/05	Active	3403125	MUD	TCEQ
GRAND NORTHWEST MUD	10/14/87	Active	3403200	MUD	TCEQ
GRAND OAKS MUD	03/12/04	Active	3403300	MUD	TCEQ
GREEN TRAILS MUD	10/08/80	Active	3417700	MUD	TCEQ
GREENS PARKWAY MUD	05/16/84	Active	3417200	MUD	TCEQ
GRIMES COUNTY MUD 1	11/13/72	Active	3421000	MUD	TCEQ
HARRIS COUNTY MUD 1	05/31/72	Active	3737050	MUD	TCEQ
HARRIS COUNTY MUD 102	06/18/75	Active	3737252	MUD	TCEQ
HARRIS COUNTY MUD 104	04/08/74	Active	3737256	MUD	TCEQ
HARRIS COUNTY MUD 105	07/28/76	Active	3737258	MUD	TCEQ
HARRIS COUNTY MUD 106	10/31/78	Active	3737260	MUD	TCEQ
HARRIS COUNTY MUD 109	07/16/74	Active	3737266	MUD	TCEQ
HARRIS COUNTY MUD 11	03/15/72	Active	3737070	MUD	TCEQ
HARRIS COUNTY MUD 118	02/09/76	Active	3737284	MUD	TCEQ
HARRIS COUNTY MUD 119	03/04/74	Active	3737286	MUD	TCEQ
HARRIS COUNTY MUD 120	10/07/74	Active	3737288	MUD	TCEQ
HARRIS COUNTY MUD 122	03/06/79	Active	3737302	MUD	TCEQ
HARRIS COUNTY MUD 127	04/01/75	Active	3737312	MUD	TCEQ
HARRIS COUNTY MUD 130	06/29/82	Active	3737318	MUD	TCEQ
HARRIS COUNTY MUD 132	09/10/74	Active	3737322	MUD	TCEQ
HARRIS COUNTY MUD 136	12/16/74	Active	3737330	MUD	TCEQ
HARRIS COUNTY MUD 144	12/06/76	Active	3737346	MUD	TCEQ
HARRIS COUNTY MUD 147	03/10/77	Active	3737352	MUD	TCEQ
HARRIS COUNTY MUD 148	12/20/76	Active	3737354	MUD	TCEQ

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HARRIS COUNTY MUD 149	03/30/77	Active	3737356	MUD	TCEQ
HARRIS COUNTY MUD 150	05/17/77	Active	3737358	MUD	TCEQ
HARRIS COUNTY MUD 151	03/10/77	Active	3737360	MUD	TCEQ
HARRIS COUNTY MUD 152	12/20/76	Active	3737362	MUD	TCEQ
HARRIS COUNTY MUD 153	09/23/77	Active	3737364	MUD	TCEQ
HARRIS COUNTY MUD 154	03/07/78	Active	3737366	MUD	TCEQ
HARRIS COUNTY MUD 155	11/12/80	Active	3737368	MUD	TCEQ
HARRIS COUNTY MUD 156	11/12/80	Active	3737370	MUD	TCEQ
HARRIS COUNTY MUD 157	12/05/77	Active	3737372	MUD	TCEQ
HARRIS COUNTY MUD 158	02/23/78	Active	3737374	MUD	TCEQ
HARRIS COUNTY MUD 16	09/07/72	Active	3737080	MUD	TCEQ
HARRIS COUNTY MUD 162	06/28/78	Active	3737382	MUD	TCEQ
HARRIS COUNTY MUD 163	06/20/79	Active	3737384	MUD	TCEQ
HARRIS COUNTY MUD 165	07/06/78	Active	3737388	MUD	TCEQ
HARRIS COUNTY MUD 166	06/20/79	Active	3737400	MUD	TCEQ
HARRIS COUNTY MUD 167	07/25/78	Active	3737402	MUD	TCEQ
HARRIS COUNTY MUD 168	03/13/79	Active	3737404	MUD	TCEQ
HARRIS COUNTY MUD 170	07/09/80	Active	3737408	MUD	TCEQ
HARRIS COUNTY MUD 172	04/24/85	Active	3737412	MUD	TCEQ
HARRIS COUNTY MUD 173	08/15/84	Active	3737414	MUD	TCEQ
HARRIS COUNTY MUD 179	03/06/79	Active	3737426	MUD	TCEQ
HARRIS COUNTY MUD 18	05/17/72	Active	3737084	MUD	TCEQ
HARRIS COUNTY MUD 180	03/13/79	Active	3737428	MUD	TCEQ
HARRIS COUNTY MUD 182	02/26/80	Active	3737432	MUD	TCEQ
HARRIS COUNTY MUD 183	07/10/79	Active	3737434	MUD	TCEQ
HARRIS COUNTY MUD 185	06/20/79	Active	3737438	MUD	TCEQ
HARRIS COUNTY MUD 186	07/09/80	Active	3737440	MUD	TCEQ
HARRIS COUNTY MUD 188	03/11/80	Active	3737444	MUD	TCEQ
HARRIS COUNTY MUD 189	11/13/79	Active	3737446	MUD	TCEQ
HARRIS COUNTY MUD 191	12/09/80	Active	3737450	MUD	TCEQ
HARRIS COUNTY MUD 196	12/15/81	Active	3737460	MUD	TCEQ
HARRIS COUNTY MUD 200	10/08/80	Active	3737468	MUD	TCEQ
HARRIS COUNTY MUD 202	07/15/81	Active	3737472	MUD	TCEQ
HARRIS COUNTY MUD 205	07/16/80	Active	3737478	MUD	TCEQ
HARRIS COUNTY MUD 208	03/25/81	Active	3737484	MUD	TCEQ
HARRIS COUNTY MUD 211	07/15/81	Active	3737490	MUD	TCEQ
HARRIS COUNTY MUD 215	07/15/81	Active	3737498	MUD	TCEQ
HARRIS COUNTY MUD 216	03/01/83	Active	3737500	MUD	TCEQ
HARRIS COUNTY MUD 217	06/24/81	Active	3737502	MUD	TCEQ
HARRIS COUNTY MUD 220	03/09/82	Active	3737508	MUD	TCEQ
HARRIS COUNTY MUD 221	01/28/82	Active	3737510	MUD	TCEQ
HARRIS COUNTY MUD 222	08/30/83	Active	3737512	MUD	TCEQ
HARRIS COUNTY MUD 23	09/07/72	Active	3737094	MUD	TCEQ



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HARRIS COUNTY MUD 230	10/20/83	Active	3737528	MUD	TCEQ
HARRIS COUNTY MUD 238	12/02/82	Active	3737544	MUD	TCEQ
HARRIS COUNTY MUD 239	07/13/83	Active	3737546	MUD	TCEQ
HARRIS COUNTY MUD 24	12/12/72	Active	3737096	MUD	TCEQ
HARRIS COUNTY MUD 248	05/02/84	Active	3737570	MUD	TCEQ
HARRIS COUNTY MUD 249	01/30/85	Active	3737572	MUD	TCEQ
HARRIS COUNTY MUD 25	11/06/72	Active	3737098	MUD	TCEQ
HARRIS COUNTY MUD 250	03/30/83	Active	3737600	MUD	TCEQ
HARRIS COUNTY MUD 255	02/29/84	Active	3737702	MUD	TCEQ
HARRIS COUNTY MUD 257	12/18/84	Active	3737706	MUD	TCEQ
HARRIS COUNTY MUD 26	08/22/72	Active	3737100	MUD	TCEQ
HARRIS COUNTY MUD 261	11/20/84	Active	3737714	MUD	TCEQ
HARRIS COUNTY MUD 264	03/21/84	Active	3737720	MUD	TCEQ
HARRIS COUNTY MUD 273	05/28/86	Active	3737736	MUD	TCEQ
HARRIS COUNTY MUD 275	07/16/86	Active	3737740	MUD	TCEQ
HARRIS COUNTY MUD 276	11/01/84	Active	3737742	MUD	TCEQ
HARRIS COUNTY MUD 278	03/27/85	Active	3737746	MUD	TCEQ
HARRIS COUNTY MUD 280	05/28/86	Active	3737750	MUD	TCEQ
HARRIS COUNTY MUD 281	05/28/86	Active	3737752	MUD	TCEQ
HARRIS COUNTY MUD 282	05/28/86	Active	3737754	MUD	TCEQ
HARRIS COUNTY MUD 284	07/09/85	Active	3737762	MUD	TCEQ
HARRIS COUNTY MUD 285	01/08/86	Active	3737764	MUD	TCEQ
HARRIS COUNTY MUD 286	06/18/85	Active	3737766	MUD	TCEQ
HARRIS COUNTY MUD 287	07/29/85	Active	3737768	MUD	TCEQ
HARRIS COUNTY MUD 290	02/13/85	Active	3737774	MUD	TCEQ
HARRIS COUNTY MUD 304	05/01/85	Active	3737802	MUD	TCEQ
HARRIS COUNTY MUD 316	06/11/86	Active	3737828	MUD	TCEQ
HARRIS COUNTY MUD 321	12/10/86	Active	3737838	MUD	TCEQ
HARRIS COUNTY MUD 322	06/10/87	Active	3737840	MUD	TCEQ
HARRIS COUNTY MUD 33	04/20/77	Active	3737114	MUD	TCEQ
HARRIS COUNTY MUD 341	04/13/88	Active	3737900	MUD	TCEQ
HARRIS COUNTY MUD 342	07/08/88	Active	3737920	MUD	TCEQ
HARRIS COUNTY MUD 344	07/08/88	Active	3737940	MUD	TCEQ
HARRIS COUNTY MUD 345	01/05/89	Active	3737945	MUD	TCEQ
HARRIS COUNTY MUD 346	01/05/89	Active	3737950	MUD	TCEQ
HARRIS COUNTY MUD 354	08/09/91	Active	3738000	MUD	TCEQ
HARRIS COUNTY MUD 355	06/25/91	Active	3738010	MUD	TCEQ
HARRIS COUNTY MUD 358	03/17/93	Active	3738050	MUD	TCEQ
HARRIS COUNTY MUD 359	06/24/93	Active	3738070	MUD	TCEQ
HARRIS COUNTY MUD 36	08/23/72	Active	3737120	MUD	TCEQ
HARRIS COUNTY MUD 360	11/12/93	Active	3738090	MUD	TCEQ
HARRIS COUNTY MUD 361	03/10/97	Active	3738100	MUD	TCEQ
HARRIS COUNTY MUD 364	06/26/96	Active	3738140	MUD	TCEQ

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HARRIS COUNTY MUD 365	06/26/96	Active	3738150	MUD	TCEQ
HARRIS COUNTY MUD 366	04/15/98	Active	3738180	MUD	TCEQ
HARRIS COUNTY MUD 367	08/11/97	Active	3738200	MUD	TCEQ
HARRIS COUNTY MUD 368	12/13/73	Active	3738300	MUD	TCEQ
HARRIS COUNTY MUD 370	08/20/99	Active	3738350	MUD	TCEQ
HARRIS COUNTY MUD 371	03/13/00	Active	3738370	MUD	TCEQ
HARRIS COUNTY MUD 372	11/05/99	Active	3738380	MUD	TCEQ
HARRIS COUNTY MUD 373	09/14/99	Active	3738400	MUD	TCEQ
HARRIS COUNTY MUD 374	09/19/01	Active	3738402	MUD	TCEQ
HARRIS COUNTY MUD 381	11/01/04	Active	3738409	MUD	TCEQ
HARRIS COUNTY MUD 382	12/13/02	Active	3738410	MUD	TCEQ
HARRIS COUNTY MUD 383	04/02/02	Active	3738424	MUD	TCEQ
HARRIS COUNTY MUD 389	12/11/02	Active	3738436	MUD	TCEQ
HARRIS COUNTY MUD 390	02/13/03	Active	3738438	MUD	TCEQ
HARRIS COUNTY MUD 391	11/14/02	Active	3738440	MUD	TCEQ
HARRIS COUNTY MUD 393	03/10/04	Active	3738445	MUD	TCEQ
HARRIS COUNTY MUD 396	07/03/03	Active	3738450	MUD	TCEQ
HARRIS COUNTY MUD 397	05/29/03	Active	3738452	MUD	TCEQ
HARRIS COUNTY MUD 399	06/04/04	Active	3738754	MUD	TCEQ
HARRIS COUNTY MUD 400	07/19/04	Active	3737131	MUD	TCEQ
HARRIS COUNTY MUD 401	08/10/04	Active	3737129	MUD	TCEQ
HARRIS COUNTY MUD 402	02/16/05	Active	3737127	MUD	TCEQ
HARRIS COUNTY MUD 403	02/22/05	Active	3737126	MUD	TCEQ
HARRIS COUNTY MUD 404	01/10/05	Active	3737135	MUD	TCEQ
HARRIS COUNTY MUD 405	04/01/05	Active	3737201	MUD	TCEQ
HARRIS COUNTY MUD 407	09/01/05	Active	3737151	MUD	TCEQ
HARRIS COUNTY MUD 410	08/27/04	Active	3737133	MUD	TCEQ
HARRIS COUNTY MUD 411	06/28/04	Active	3737130	MUD	TCEQ
HARRIS COUNTY MUD 412	08/10/05	Active	3737156	MUD	TCEQ
HARRIS COUNTY MUD 415	03/06/08	Active	3747158	MUD	TCEQ
HARRIS COUNTY MUD 416	02/07/06	Active	3737159	MUD	TCEQ
HARRIS COUNTY MUD 418	02/11/05	Active	3737139	MUD	TCEQ
HARRIS COUNTY MUD 419	02/11/05	Active	3737137	MUD	TCEQ
HARRIS COUNTY MUD 420	08/04/05	Active	3737162	MUD	TCEQ
HARRIS COUNTY MUD 421	03/01/07	Active	3737200	MUD	TCEQ
HARRIS COUNTY MUD 43	08/23/72	Active	3737134	MUD	TCEQ
HARRIS COUNTY MUD 432	06/22/05	Active	3737141	MUD	TCEQ
HARRIS COUNTY MUD 433	01/17/06	Active	3737173	MUD	TCEQ
HARRIS COUNTY MUD 434	05/26/06	Active	3737168	MUD	TCEQ
HARRIS COUNTY MUD 435	01/17/06	Active	3737165	MUD	TCEQ
HARRIS COUNTY MUD 439	02/14/06	Active	3737169	MUD	TCEQ
HARRIS COUNTY MUD 44	01/30/73	Active	3737136	MUD	TCEQ
HARRIS COUNTY MUD 449	01/25/06	Active	3737147	MUD	TCEQ

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HARRIS COUNTY MUD 450	02/13/07	Active	3737155	MUD	TCEQ
HARRIS COUNTY MUD 451	07/12/07	Active	3737116	MUD	TCEQ
HARRIS COUNTY MUD 459	01/17/06	Active	3737163	MUD	TCEQ
HARRIS COUNTY MUD 46	11/29/76	Active	3737140	MUD	TCEQ
HARRIS COUNTY MUD 461	03/05/08	Active	3727154	MUD	TCEQ
HARRIS COUNTY MUD 468	08/15/06	Active	3737112	MUD	TCEQ
HARRIS COUNTY MUD 48	10/26/72	Active	3737144	MUD	TCEQ
HARRIS COUNTY MUD 480	01/30/07	Active	3737175	MUD	TCEQ
HARRIS COUNTY MUD 481	05/01/07	Active	2055446	MUD	TCEQ
HARRIS COUNTY MUD 489	07/11/07	Active	2896289	MUD	TCEQ
HARRIS COUNTY MUD 49	06/19/73	Active	3737146	MUD	TCEQ
HARRIS COUNTY MUD 490	07/12/07	Active	3737124	MUD	TCEQ
HARRIS COUNTY MUD 491	07/03/07	Active	3737113	MUD	TCEQ
HARRIS COUNTY MUD 492	07/12/07	Active	3737108	MUD	TCEQ
HARRIS COUNTY MUD 493	08/02/07	Active	3737105	MUD	TCEQ
HARRIS COUNTY MUD 499	04/26/07	Active	3737102	MUD	TCEQ
HARRIS COUNTY MUD 5	12/14/71	Active	3737058	MUD	TCEQ
HARRIS COUNTY MUD 50	05/22/73	Active	3737148	MUD	TCEQ
HARRIS COUNTY MUD 500	06/25/07	Active	3737121	MUD	TCEQ
HARRIS COUNTY MUD 501	08/15/07	Active	3737103	MUD	TCEQ
HARRIS COUNTY MUD 502	08/16/07	Active	3737122	MUD	TCEQ
HARRIS COUNTY MUD 53	06/15/73	Active	3737154	MUD	TCEQ
HARRIS COUNTY MUD 55	07/24/74	Active	3737158	MUD	TCEQ
HARRIS COUNTY MUD 58	01/30/73	Active	3737164	MUD	TCEQ
HARRIS COUNTY MUD 6	12/14/71	Active	3737060	MUD	TCEQ
HARRIS COUNTY MUD 61	05/02/73	Active	3737170	MUD	TCEQ
HARRIS COUNTY MUD 62	01/04/78	Active	3737172	MUD	TCEQ
HARRIS COUNTY MUD 63	01/04/78	Active	3737174	MUD	TCEQ
HARRIS COUNTY MUD 64	12/21/76	Active	3737176	MUD	TCEQ
HARRIS COUNTY MUD 65	12/21/76	Active	3737178	MUD	TCEQ
HARRIS COUNTY MUD 69	03/21/73	Active	3737186	MUD	TCEQ
HARRIS COUNTY MUD 70	05/01/73	Active	3737188	MUD	TCEQ
HARRIS COUNTY MUD 71	12/13/77	Active	3737190	MUD	TCEQ
HARRIS COUNTY MUD 8	05/03/72	Active	3737064	MUD	TCEQ
HARRIS COUNTY MUD 81	07/27/73	Active	3737210	MUD	TCEQ
HARRIS COUNTY MUD 82	05/31/73	Active	3737212	MUD	TCEQ
HARRIS COUNTY MUD 86	03/21/74	Active	3737220	MUD	TCEQ
HARRIS COUNTY MUD 96	03/04/74	Active	3737240	MUD	TCEQ
HARRIS COUNTY WCID 109	02/15/68	Active	4241090	MUD	TCEQ
HARRIS COUNTY WCID 110	05/09/68	Active	4241100	MUD	TCEQ
HARRIS COUNTY WCID 114	07/23/68	Active	4241140	MUD	TCEQ
HARRIS COUNTY WCID 119	10/22/68	Active	4241190	MUD	TCEQ
HARRIS COUNTY WCID 133	03/26/70	Active	4241330	MUD	TCEQ

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HARRIS COUNTY WCID 136	05/20/70	Active	4241360	MUD	TCEQ
HARRIS COUNTY WCID 89	03/06/64	Active	4190000	MUD	TCEQ
HARRIS COUNTY WCID 92	12/01/64	Active	4205000	MUD	TCEQ
HARRIS FORT BEND COUNTIES MUD 1	06/27/78	Active	4418000	MUD	TCEQ
HARRIS FORT BEND COUNTIES MUD 3	01/28/82	Active	4418004	MUD	TCEQ
HARRIS FORT BEND COUNTIES MUD 4	01/04/83	Active	4418006	MUD	TCEQ
HARRIS FORT BEND COUNTIES MUD 5	02/17/95	Active	4418015	MUD	TCEQ
HAYS COUNTY MUD 4	07/03/03	Active	4420715	MUD	TCEQ
HAYS COUNTY MUD 5	07/15/03	Active	4420720	MUD	TCEQ
HEATHERLOCH MUD	03/19/73	Active	4421010	MUD	TCEQ
HUNGERFORD MUD 1	06/23/87	Active	4697000	MUD	TCEQ
HUNTERS GLEN MUD	06/13/72	Active	4699000	MUD	TCEQ
HURST CREEK MUD	10/05/79	Active	4699700	MUD	TCEQ
INTERSTATE MUD	09/10/74	Active	4713000	MUD	TCEQ
KAUFMAN COUNTY MUD 2	04/12/05	Active	5189175	MUD	TCEQ
KAUFMAN COUNTY MUD 3	04/12/05	Active	5189313	MUD	TCEQ
KAUFMAN COUNTY MUD 4	04/12/05	Active	5189382	MUD	TCEQ
KAUFMAN COUNTY MUD 5	02/13/03	Active	5189450	MUD	TCEQ
KAUFMAN COUNTY MUD 6	03/06/03	Active	5189725	MUD	TCEQ
KAUFMAN COUNTY MUD 7	11/10/04	Active	5189743	MUD	TCEQ
KAUFMAN COUNTY MUD 8	02/03/06	Active	5189760	MUD	TCEQ
KINGS MANOR MUD	10/31/91	Active	5196250	MUD	TCEQ
KINGSBRIDGE MUD	12/22/78	Active	5196150	MUD	TCEQ
KINGSLAND MUD	12/19/72	Active	5196200	MUD	TCEQ
KIRKMONT MUD	08/23/72	Active	5196500	MUD	TCEQ
KLEINWOOD MUD	05/03/72	Active	5197600	MUD	TCEQ
LAKE CONROE HILLS MUD	06/20/73	Active	5302000	MUD	TCEQ
LAKE MUD	02/27/79	Active	5310900	MUD	TCEQ
LAKESIDE MUD 3	09/01/05	Active	5312000	MUD	TCEQ
LAKEWAY MUD	02/17/72	Active	5323500	MUD	TCEQ
LANCASTER MUD 1	03/21/02	Active	5350900	MUD	TCEQ
LAS LOMAS MUD 1	02/16/05	Active	5362000	MUD	TCEQ
LAS LOMAS MUD 2	02/16/05	Active	5362001	MUD	TCEQ
LOST CREEK MUD	09/19/72	Active	5448600	MUD	TCEQ
MARKHAM MUD	07/31/62	Active	5667000	MUD	TCEQ
MAYDE CREEK MUD	07/23/73	Active	5786700	MUD	TCEQ
MEADOWCREEK MUD	08/21/73	Active	5798000	MUD	TCEQ
MEADOWHILL REGIONAL MUD	09/24/01	Active	5798010	MUD	TCEQ
MEADOWS AT CHANDLER CREEK MUD	05/14/85	Active	5798350	MUD	TCEQ
MEMORIAL MUD	09/29/77	Active	5813250	MUD	TCEQ
MILLS ROAD MUD	02/22/78	Active	5851000	MUD	TCEQ
MISSION BEND MUD 1	12/07/77	Active	5853000	MUD	TCEQ
MISSION BEND MUD 2	12/13/77	Active	5853500	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
MONTGOMERY COUNTY MUD 107	02/14/06	Active	5857494	MUD	TCEQ
MONTGOMERY COUNTY MUD 111	03/13/06	Active	5853755	MUD	TCEQ
MONTGOMERY COUNTY MUD 112	12/21/06	Active	5855636	MUD	TCEQ
MONTGOMERY COUNTY MUD 115	03/22/06	Active	5857517	MUD	TCEQ
MONTGOMERY COUNTY MUD 116	02/21/07	Active	5857529	MUD	TCEQ
MONTGOMERY COUNTY MUD 126	11/20/08	Active	5862540	MUD	TCEQ
MONTGOMERY COUNTY MUD 127	08/22/08	Active	5867540	MUD	TCEQ
MONTGOMERY COUNTY MUD 15	09/19/72	Active	5857550	MUD	TCEQ
MONTGOMERY COUNTY MUD 16	12/07/72	Active	5857560	MUD	TCEQ
MONTGOMERY COUNTY MUD 18	09/12/73	Active	5857700	MUD	TCEQ
MONTGOMERY COUNTY MUD 19	03/21/73	Active	5857710	MUD	TCEQ
MONTGOMERY COUNTY MUD 24	11/07/74	Active	5857840	MUD	TCEQ
MONTGOMERY COUNTY MUD 36	07/28/76	Active	5857975	MUD	TCEQ
MONTGOMERY COUNTY MUD 39	12/20/76	Active	5857990	MUD	TCEQ
MONTGOMERY COUNTY MUD 40	01/09/79	Active	5857992	MUD	TCEQ
MONTGOMERY COUNTY MUD 42	06/27/78	Active	5857995	MUD	TCEQ
MONTGOMERY COUNTY MUD 46	03/17/81	Active	5858050	MUD	TCEQ
MONTGOMERY COUNTY MUD 47	03/10/83	Active	5858052	MUD	TCEQ
MONTGOMERY COUNTY MUD 56	07/27/82	Active	5858070	MUD	TCEQ
MONTGOMERY COUNTY MUD 60	09/19/84	Active	5858088	MUD	TCEQ
MONTGOMERY COUNTY MUD 8	09/12/72	Active	5857300	MUD	TCEQ
MONTGOMERY COUNTY MUD 83	11/12/93	Active	5858125	MUD	TCEQ
MONTGOMERY COUNTY MUD 84	11/12/93	Active	5858130	MUD	TCEQ
MONTGOMERY COUNTY MUD 88	12/20/00	Active	5858155	MUD	TCEQ
MONTGOMERY COUNTY MUD 89	01/10/01	Active	5858160	MUD	TCEQ
MONTGOMERY COUNTY MUD 90	03/14/02	Active	5858162	MUD	TCEQ
MONTGOMERY COUNTY MUD 92	10/27/04	Active	5858166	MUD	TCEQ
MONTGOMERY COUNTY MUD 94	09/11/02	Active	5858170	MUD	TCEQ
MONTGOMERY COUNTY MUD 95	03/18/03	Active	5858172	MUD	TCEQ
MONTGOMERY COUNTY MUD 96	08/21/06	Active	5858252	MUD	TCEQ
MONTGOMERY COUNTY MUD 98	07/30/04	Active	5858331	MUD	TCEQ
MONTGOMERY COUNTY MUD 99	05/26/05	Active	5853754	MUD	TCEQ
MONTGOMERY COUNTY WCID 1	06/15/64	Active	5860000	MUD	TCEQ
MOORES CROSSING MUD	06/17/87	Active	5867000	MUD	TCEQ
MORNINGSTAR RANCH MUD 1 OF PARKER COUNTY	08/03/09	Active	5875000	MUD	TCEQ
MORNINGSTAR RANCH MUD 2 OF PARKER COUNTY	07/17/09	Active	5877500	MUD	TCEQ
MORTON ROAD MUD	06/11/74	Active	5880000	MUD	TCEQ
MOUNT HOUSTON ROAD MUD	05/09/78	Active	5890500	MUD	TCEQ
NACOGDOCHES COUNTY MUD 1	03/21/74	Active	5936000	MUD	TCEQ
NEW CANEY MUD	06/01/78	Active	5953000	MUD	TCEQ
NEW SWEDEN MUD 1	07/20/06	Active	5953750	MUD	TCEQ
NEWPORT MUD	05/02/98	Active	5954000	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
NORTH AUSTIN MUD 1	11/15/83	Active	5968600	MUD	TCEQ
NORTH GREEN MUD	03/11/80	Active	5984200	MUD	TCEQ
NORTH HAYS COUNTY MUD 1	07/19/04	Active	5984900	MUD	TCEQ
NORTH MISSION GLEN MUD	12/10/80	Active	5989000	MUD	TCEQ
NORTH ZULCH MUD	12/13/73	Active	6042895	MUD	TCEQ
NORTHEAST HARRIS COUNTY MUD 1	07/18/78	Active	5980500	MUD	TCEQ
NORTHTOWN MUD	08/14/85	Active	6013100	MUD	TCEQ
NORTHWEST FREEWAY MUD	03/10/77	Active	6030000	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 10	03/30/77	Active	6041400	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 12	12/13/77	Active	6041510	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 15	03/07/78	Active	6041540	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 16	01/04/78	Active	6041550	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 19	10/03/79	Active	6041565	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 20	08/07/79	Active	6041570	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 21	07/03/79	Active	6041575	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 22	07/03/79	Active	6041580	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 23	07/03/79	Active	6041585	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 24	01/20/82	Active	6041587	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 28	07/11/84	Active	6041680	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 29	12/21/83	Active	6041700	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 30	04/25/84	Active	6041702	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 32	08/13/86	Active	6041706	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 36	04/22/85	Active	6041714	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 5	12/03/74	Active	6041100	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 6	10/31/75	Active	6041150	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 9	07/25/77	Active	6041300	MUD	TCEQ
NORTHWOOD MUD 1	08/07/85	Active	6042880	MUD	TCEQ
NOTTINGHAM COUNTRY MUD	02/24/81	Active	6042950	MUD	TCEQ
PALMER PLANTATION MUD 1	12/21/82	Active	6450000	MUD	TCEQ
PALMER PLANTATION MUD 2	12/21/82	Active	6450005	MUD	TCEQ
PALOMA LAKE MUD 1	08/10/06	Active	6710500	MUD	TCEQ
PALOMA LAKE MUD 2	08/10/06	Active	6805250	MUD	TCEQ
PARKER CREEK MUD	06/28/04	Active	7022450	MUD	TCEQ
PARKSIDE AT MAYFIELD RANCH MUD	06/12/06	Active	7023675	MUD	TCEQ
PASEO DE LA RESACA MUD 1	06/25/97	Active	7024200	MUD	TCEQ
PASEO DE LA RESACA MUD 2	06/25/97	Active	7024400	MUD	TCEQ
PASEO DE LA RESACA MUD 3	06/25/97	Active	7024600	MUD	TCEQ
PECAN GROVE MUD	06/27/75	Active	7039000	MUD	TCEQ
PLANTATION MUD	07/12/77	Active	7108500	MUD	TCEQ
POINT AQUARIUS MUD	09/28/71	Active	7112000	MUD	TCEQ
PORTER MUD	06/02/78	Active	7122500	MUD	TCEQ
POST WOOD MUD	03/16/73	Active	7146100	MUD	TCEQ
PRESIDENTIAL GLEN MUD	04/15/05	Active	7151250	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
RANKIN ROAD WEST MUD	10/23/84	Active	7176000	MUD	TCEQ
RED CREEK MUD	04/01/92	Active	7225500	MUD	TCEQ
REID ROAD MUD 1	05/13/74	Active	7281100	MUD	TCEQ
REID ROAD MUD 2	06/29/78	Active	7281210	MUD	TCEQ
REMINGTON MUD 1	10/08/86	Active	7281250	MUD	TCEQ
RENN ROAD MUD	12/22/78	Active	7281270	MUD	TCEQ
RICEWOOD MUD	04/04/78	Active	7281400	MUD	TCEQ
RICHEY ROAD MUD	02/03/81	Active	7281470	MUD	TCEQ
RIVER PLACE MUD	05/22/85	Active	7289500	MUD	TCEQ
ROCKWALL COUNTY CONSOLIDATED MUD 1	02/29/72	Active	7298000	MUD	TCEQ
ROCKWALL COUNTY CONSOLIDATED MUD 2	06/19/72	Active	7299000	MUD	TCEQ
ROYALWOOD MUD	10/02/61	Active	7340000	MUD	TCEQ
SAN ANTONIO MUD 1	01/16/74	Active	7407000	MUD	TCEQ
SAN DIEGO MUD 1	02/07/00	Active	7466000	MUD	TCEQ
SAN PATRICIO COUNTY MUD 1	03/04/75	Active	7519000	MUD	TCEQ
SEBASTIAN MUD	02/10/92	Active	7552000	MUD	TCEQ
SEDONA LAKES MUD 1 OF BRAZORIA COUNTY	02/22/08	Active	7553000	MUD	TCEQ
SEIS LAGOS UTILITY DISTRICT	03/12/73	Active	7554000	MUD	TCEQ
SENNA HILLS MUD	04/11/88	Active	7554500	MUD	TCEQ
SHADY HOLLOW MUD	12/15/80	Active	7556000	MUD	TCEQ
SIENNA PLANTATION MUD 10	09/26/02	Active	7573914	MUD	TCEQ
SIENNA PLANTATION MUD 12	09/26/02	Active	7573918	MUD	TCEQ
SIENNA PLANTATION MUD 2	03/10/97	Active	7573600	MUD	TCEQ
SIENNA PLANTATION MUD 3	03/10/97	Active	7573650	MUD	TCEQ
SIENNA PLANTATION MUD 4	03/10/97	Active	7573700	MUD	TCEQ
SIENNA PLANTATION MUD 5	03/10/97	Active	7573750	MUD	TCEQ
SIENNA PLANTATION MUD 6	03/10/97	Active	7573800	MUD	TCEQ
SIENNA PLANTATION MUD 7	10/17/79	Active	7573900	MUD	TCEQ
SMITH COUNTY MUD 1	10/10/60	Active	7575000	MUD	TCEQ
SOUTH SHORE HARBOR MUD 2	07/13/82	Active	7585202	MUD	TCEQ
SOUTH SHORE HARBOR MUD 3	07/13/82	Active	7585204	MUD	TCEQ
SOUTH SHORE HARBOR MUD 6	07/13/82	Active	7585210	MUD	TCEQ
SOUTH SHORE HARBOR MUD 7	07/24/01	Active	7585214	MUD	TCEQ
SOUTHWEST HARRIS COUNTY MUD 1	02/19/75	Active	7586900	MUD	TCEQ
SPORTSMANS WORLD MUD	07/16/80	Active	7591600	MUD	TCEQ
SPRING WEST MUD	07/25/78	Active	7593525	MUD	TCEQ
SPRINGWOODS MUD	10/17/79	Active	7593800	MUD	TCEQ
STANLEY LAKE MUD	11/21/72	Active	7596000	MUD	TCEQ
STONEWALL RANCH MUD	03/28/06	Active	7611500	MUD	TCEQ
SUNFIELD MUD 1	06/27/05	Active	7632700	MUD	TCEQ
SUNFIELD MUD 2	06/27/06	Active	7632800	MUD	TCEQ
SUNFIELD MUD 3	04/10/06	Active	7632850	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
SUNFIELD MUD 4	04/10/06	Active	7632875	MUD	TCEQ
TANGLEWOOD FOREST LIMITED DISTRICT	11/18/81	Active	7643500	MUD	TCEQ
TARA GLEN MUD	02/13/85	Active	7644500	MUD	TCEQ
TERRANOVA WEST MUD	07/25/78	Active	7776000	MUD	TCEQ
TEXAS NATIONAL MUD	11/07/74	Active	7778500	MUD	TCEQ
THE FALLS MUD	01/09/85	Active	2893500	MUD	TCEQ
THE WOODLANDS METRO CENTER MUD	07/18/78	Active	8735000	MUD	TCEQ
TRAIL OF THE LAKES MUD	04/22/74	Active	7811000	MUD	TCEQ
TRAVIS COUNTY MUD 10	05/17/89	Active	7824000	MUD	TCEQ
TRAVIS COUNTY MUD 11	06/18/99	Active	7824500	MUD	TCEQ
TRAVIS COUNTY MUD 12	06/18/99	Active	7824700	MUD	TCEQ
TRAVIS COUNTY MUD 13	06/18/99	Active	7824900	MUD	TCEQ
TRAVIS COUNTY MUD 14	07/18/01	Active	7824925	MUD	TCEQ
TRAVIS COUNTY MUD 15	03/12/02	Active	7823463	MUD	TCEQ
TRAVIS COUNTY MUD 16	03/29/05	Active	7822732	MUD	TCEQ
TRAVIS COUNTY MUD 2	12/13/83	Active	7822000	MUD	TCEQ
TRAVIS COUNTY WCID 19	10/21/81	Active	7965000	MUD	TCEQ
TROPHY CLUB MUD 1	03/04/75	Active	8014000	MUD	TCEQ
VALLEY MUD 2	03/15/72	Active	8267500	MUD	TCEQ
VALLEY RANCH MUD 1	01/12/06	Active	8268650	MUD	TCEQ
VISTA MUD	03/14/08	Active	8325625	MUD	TCEQ
WALSH RANCH MUD	03/03/06	Active	8392500	MUD	TCEQ
WATERFORD MUD 1	02/29/08	Active	8454575	MUD	TCEQ
WATERWOOD MUD 1	02/08/73	Active	8455100	MUD	TCEQ
WELLS BRANCH MUD	03/18/81	Active	8460000	MUD	TCEQ
WEST HARRIS COUNTY MUD 1	06/16/67	Active	8472850	MUD	TCEQ
WEST HARRIS COUNTY MUD 10	06/06/79	Active	8472962	MUD	TCEQ
WEST HARRIS COUNTY MUD 11	10/14/81	Active	8472964	MUD	TCEQ
WEST HARRIS COUNTY MUD 14	07/08/80	Active	8472970	MUD	TCEQ
WEST HARRIS COUNTY MUD 15	07/08/80	Active	8472972	MUD	TCEQ
WEST HARRIS COUNTY MUD 16	03/10/80	Active	8472974	MUD	TCEQ
WEST HARRIS COUNTY MUD 17	05/21/80	Active	8472980	MUD	TCEQ
WEST HARRIS COUNTY MUD 2	10/31/75	Active	8472900	MUD	TCEQ
WEST HARRIS COUNTY MUD 21	08/09/90	Active	8472987	MUD	TCEQ
WEST HARRIS COUNTY MUD 4	10/31/77	Active	8472920	MUD	TCEQ
WEST HARRIS COUNTY MUD 5	01/04/78	Active	8472925	MUD	TCEQ
WEST HARRIS COUNTY MUD 6	03/07/78	Active	8472930	MUD	TCEQ
WEST HARRIS COUNTY MUD 7	07/06/78	Active	8472940	MUD	TCEQ
WEST HARRIS COUNTY MUD 9	06/06/79	Active	8472960	MUD	TCEQ
WEST MEMORIAL MUD	03/26/70	Active	8473900	MUD	TCEQ
WEST PARK MUD	10/31/78	Active	8474100	MUD	TCEQ
WEST TRAVIS COUNTY MUD 6	07/31/02	Active	8489300	MUD	TCEQ
WEST TRAVIS COUNTY MUD 8	07/31/02	Active	8489825	MUD	TCEQ



District Name	Creation Date	Status	District Number	District Type	Created By
WEST WILLIAMSON COUNTY MUD 1	06/09/08	Active	8491000	MUD	TCEQ
WESTADOR MUD	12/03/68	Active	8463000	MUD	TCEQ
WESTLAKE MUD 1	04/11/72	Active	8473500	MUD	TCEQ
WESTON MUD	08/15/73	Active	8474000	MUD	TCEQ
WESTWOOD SHORES MUD	05/23/72	Active	8495000	MUD	TCEQ
WHITE OAK BEND MUD	04/04/78	Active	8537000	MUD	TCEQ
WILBARGER CREEK MUD 1	05/30/02	Active	8635000	MUD	TCEQ
WILBARGER CREEK MUD 2	05/30/02	Active	8637500	MUD	TCEQ
WILLIAMSON COUNTY MUD 10	05/14/99	Active	8664550	MUD	TCEQ
WILLIAMSON COUNTY MUD 11	05/14/99	Active	8664555	MUD	TCEQ
WILLIAMSON COUNTY MUD 15	07/06/07	Active	8664245	MUD	TCEQ
WILLIAMSON COUNTY MUD 9	09/09/87	Active	8664536	MUD	TCEQ
WILLIAMSON-TRAVIS COUNTIES MUD 1	05/22/85	Active	8670000	MUD	TCEQ
WOODCREEK MUD	01/10/73	Active	8715000	MUD	TCEQ
WOODCREEK RESERVE MUD	07/02/02	Active	8717500	MUD	TCEQ
WOODRIDGE MUD	02/22/07	Active	8760000	MUD	TCEQ
BACKBONE CREEK MUD 1	08/06/10	Inactive	1138000	MUD	TCEQ
BELTWAY 8 MUD 1	01/06/88	Inactive	1258600	MUD	TCEQ
BELTWAY 8 MUD 2	01/06/88	Inactive	1258700	MUD	TCEQ
BELTWAY 8 MUD 3	01/06/88	Inactive	1258800	MUD	TCEQ
BRAZORIA COUNTY MUD 12	06/02/87	Inactive	1636605	MUD	TCEQ
BRAZORIA COUNTY MUD 13	06/02/87	Inactive	1636610	MUD	TCEQ
BRAZORIA COUNTY MUD 14	06/02/87	Inactive	1636615	MUD	TCEQ
BRAZORIA COUNTY MUD 15	06/02/87	Inactive	1636620	MUD	TCEQ
BRAZORIA COUNTY MUD 32	10/17/07	Inactive	1635610	MUD	TCEQ
BRAZORIA COUNTY MUD 42	10/08/09	Inactive	1636157	MUD	TCEQ
BRAZORIA COUNTY MUD 43	09/15/08	Inactive	1636188	MUD	TCEQ
BRAZORIA COUNTY MUD 61	09/09/08	Inactive	1636558	MUD	TCEQ
BRAZORIA COUNTY MUD 7	05/16/84	Inactive	1636580	MUD	TCEQ
BURNET COUNTY MUD 2	03/04/08	Inactive	1758250	MUD	TCEQ
CANEY CREEK MUD-MONTGOMERY COUNTY	01/01/01	Inactive	2253650	MUD	TCEQ
CANYON FALLS MUD 1	12/29/08	Inactive	2258663	MUD	TCEQ
COLLIN COUNTY MUD 1	02/24/05	Inactive	2328500	MUD	TCEQ
EL PASO COUNTY MUD 3	12/12/08	Inactive	2859500	MUD	TCEQ
EL PASO COUNTY MUD 4	12/12/08	Inactive	2855500	MUD	TCEQ
ELGIN MUD 1	11/08/04	Inactive	2817725	MUD	TCEQ
ELGIN MUD 2	11/08/04	Inactive	2817763	MUD	TCEQ
FORESTS EDGE MUD	05/06/80	Inactive	3059900	MUD	TCEQ
FORT BEND COUNTY MUD 126	01/17/06	Inactive	3084161	MUD	TCEQ
FORT BEND COUNTY MUD 127	01/17/06	Inactive	3083799	MUD	TCEQ
FORT BEND COUNTY MUD 163	07/05/07	Inactive	3079338	MUD	TCEQ
FORT BEND COUNTY MUD 166	12/21/06	Inactive	3079375	MUD	TCEQ
FORT BEND COUNTY MUD 168	07/20/05	Inactive	3079425	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
FORT BEND COUNTY MUD 172	08/28/07	Inactive	3079432	MUD	TCEQ
FORT BEND COUNTY MUD 173	08/28/07	Inactive	3079435	MUD	TCEQ
FORT BEND COUNTY MUD 188	10/07/08	Inactive	3079493	MUD	TCEQ
FORT BEND COUNTY MUD 195	10/20/08	Inactive	3075563	MUD	TCEQ
FORT BEND COUNTY MUD 198	01/28/09	Inactive	3075282	MUD	TCEQ
FORT BEND COUNTY MUD 199	05/22/09	Inactive	3075141	MUD	TCEQ
FORT BEND COUNTY MUD 45	07/21/82	Inactive	3079980	MUD	TCEQ
FORT BEND COUNTY MUD 51	07/11/84	Inactive	3079990	MUD	TCEQ
FORT BEND COUNTY MUD 52	09/12/84	Inactive	3079992	MUD	TCEQ
FORT BEND COUNTY MUD 53	08/02/84	Inactive	3079996	MUD	TCEQ
FORT BEND COUNTY MUD 56	04/14/87	Inactive	3080002	MUD	TCEQ
FORT BEND COUNTY MUD 63	06/18/85	Inactive	3080016	MUD	TCEQ
FORT BEND COUNTY MUD 65	12/17/86	Inactive	3080020	MUD	TCEQ
FORT BEND COUNTY MUD 77	09/03/86	Inactive	3080046	MUD	TCEQ
FORT BEND COUNTY MUD 79	09/17/86	Inactive	3080050	MUD	TCEQ
FORT BEND-WALLER COUNTIES MUD 1	02/19/02	Inactive	3093750	MUD	TCEQ
GALVESTON COUNTY MUD 18	04/14/92	Inactive	3202535	MUD	TCEQ
GALVESTON COUNTY MUD 34	05/07/08	Inactive	3202610	MUD	TCEQ
GALVESTON COUNTY MUD 35	08/03/07	Inactive	3202615	MUD	TCEQ
GALVESTON COUNTY MUD 36	08/03/07	Inactive	3202620	MUD	TCEQ
GALVESTON COUNTY MUD 72	03/11/08	Inactive	3212409	MUD	TCEQ
HARRIS COUNTY MUD 101	06/14/76	Inactive	3737250	MUD	TCEQ
HARRIS COUNTY MUD 171	10/16/78	Inactive	3737410	MUD	TCEQ
HARRIS COUNTY MUD 19	07/26/72	Inactive	3737086	MUD	TCEQ
HARRIS COUNTY MUD 213	06/29/82	Inactive	3737494	MUD	TCEQ
HARRIS COUNTY MUD 225	12/08/83	Inactive	3737518	MUD	TCEQ
HARRIS COUNTY MUD 231	09/07/83	Inactive	3737530	MUD	TCEQ
HARRIS COUNTY MUD 243	08/30/83	Inactive	3737554	MUD	TCEQ
HARRIS COUNTY MUD 268	08/15/84	Inactive	3737728	MUD	TCEQ
HARRIS COUNTY MUD 271	07/02/85	Inactive	3737732	MUD	TCEQ
HARRIS COUNTY MUD 306	03/17/87	Inactive	3737806	MUD	TCEQ
HARRIS COUNTY MUD 327	04/15/87	Inactive	3737850	MUD	TCEQ
HARRIS COUNTY MUD 375	05/08/03	Inactive	3738403	MUD	TCEQ
HARRIS COUNTY MUD 376	06/23/03	Inactive	3738404	MUD	TCEQ
HARRIS COUNTY MUD 377	06/23/03	Inactive	3738405	MUD	TCEQ
HARRIS COUNTY MUD 378	06/23/03	Inactive	3738406	MUD	TCEQ
HARRIS COUNTY MUD 379	06/23/03	Inactive	3738407	MUD	TCEQ
HARRIS COUNTY MUD 380	06/23/03	Inactive	3738408	MUD	TCEQ
HARRIS COUNTY MUD 409	08/30/05	Inactive	3737157	MUD	TCEQ
HARRIS COUNTY MUD 422	12/12/06	Inactive	3737161	MUD	TCEQ
HARRIS COUNTY MUD 423	12/12/06	Inactive	3737160	MUD	TCEQ
HARRIS COUNTY MUD 424	04/19/07	Inactive	373715	MUD	TCEQ
HARRIS COUNTY MUD 425	05/16/07	Inactive	2055425	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
HARRIS COUNTY MUD 426	07/03/07	Inactive	2896280	MUD	TCEQ
HARRIS COUNTY MUD 427	07/03/07	Inactive	3316707	MUD	TCEQ
HARRIS COUNTY MUD 428	05/23/07	Inactive	3526921	MUD	TCEQ
HARRIS COUNTY MUD 429	07/03/07	Inactive	3632028	MUD	TCEQ
HARRIS COUNTY MUD 436	06/06/06	Inactive	3737340	MUD	TCEQ
HARRIS COUNTY MUD 454	08/21/06	Inactive	3737171	MUD	TCEQ
HARRIS COUNTY MUD 457	12/21/06	Inactive	3737199	MUD	TCEQ
HARRIS COUNTY MUD 458	12/21/06	Inactive	3737167	MUD	TCEQ
HARRIS COUNTY MUD 462	12/12/06	Inactive	3737166	MUD	TCEQ
HARRIS COUNTY MUD 463	02/14/07	Inactive	3737198	MUD	TCEQ
HARRIS COUNTY MUD 473	03/01/06	Inactive	3737069	MUD	TCEQ
HARRIS COUNTY MUD 476	08/11/08	Inactive	3742080	MUD	TCEQ
HARRIS COUNTY MUD 477	06/13/08	Inactive	3747090	MUD	TCEQ
HARRIS COUNTY MUD 482	04/25/07	Inactive	373716	MUD	TCEQ
HARRIS COUNTY MUD 483	10/02/07	Inactive	1214574	MUD	TCEQ
HARRIS COUNTY MUD 484	10/02/07	Inactive	1635003	MUD	TCEQ
HARRIS COUNTY MUD 485	10/02/07	Inactive	1845217	MUD	TCEQ
HARRIS COUNTY MUD 496	02/25/09	Inactive	3742107	MUD	TCEQ
HARRIS COUNTY MUD 497	02/25/09	Inactive	3747104	MUD	TCEQ
HARRIS COUNTY MUD 503	06/26/07	Inactive	3737123	MUD	TCEQ
HARRIS COUNTY MUD 504	03/03/09	Inactive	3737237	MUD	TCEQ
HARRIS COUNTY MUD 505	03/03/09	Inactive	3747150	MUD	TCEQ
HARRIS COUNTY MUD 514	11/02/09	Inactive	3747400	MUD	TCEQ
HARRIS COUNTY MUD 515	11/02/09	Inactive	3747405	MUD	TCEQ
HARRIS COUNTY MUD 516	11/02/09	Inactive	3747410	MUD	TCEQ
HARRIS COUNTY MUD 517	11/02/09	Inactive	3747415	MUD	TCEQ
HARRIS COUNTY MUD 518	12/17/08	Inactive	3737303	MUD	TCEQ
HARRIS COUNTY MUD 519	11/14/08	Inactive	3737453	MUD	TCEQ
HARRIS COUNTY MUD 520	11/14/08	Inactive	3737353	MUD	TCEQ
HARRIS COUNTY MUD 80	04/11/84	Inactive	3737207	MUD	TCEQ
HARRIS COUNTY MUD 91	09/25/73	Inactive	3737230	MUD	TCEQ
HEADWATERS MUD	08/08/07	Inactive	4421008	MUD	TCEQ
HIGHLANDS AT MAYFIELD RANCH MUD	07/01/05	Inactive	4636250	MUD	TCEQ
INTERCONTINENTAL MUD	08/02/10	Inactive	4711500	MUD	TCEQ
LAKESIDE MUD 5	08/11/08	Inactive	5312250	MUD	TCEQ
LAKESIDE MUD 6	09/08/06	Inactive	5312500	MUD	TCEQ
LIBERTY COUNTY MUD 2	09/28/07	Inactive	5419500	MUD	TCEQ
LIBERTY COUNTY MUD 3	09/28/07	Inactive	5421250	MUD	TCEQ
LOS FRESNOS MUD 1	05/19/75	Inactive	5448400	MUD	TCEQ
MARTIN CREEK MUD	04/04/73	Inactive	5676100	MUD	TCEQ
MONTGOMERY COUNTY MUD 103	01/27/09	Inactive	5857391	MUD	TCEQ
MONTGOMERY COUNTY MUD 105	09/02/05	Inactive	5857448	MUD	TCEQ
MONTGOMERY COUNTY MUD 125	09/30/09	Inactive	5860040	MUD	TCEQ

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MONTGOMERY COUNTY MUD 30	02/26/74	Inactive	5857900	MUD	TCEQ
MONTGOMERY COUNTY MUD 38	11/25/74	Inactive	5857980	MUD	TCEQ
MONTGOMERY COUNTY MUD 45	09/19/79	Inactive	5857999	MUD	TCEQ
NEW SWEDEN MUD 2	11/10/06	Inactive	5953875	MUD	TCEQ
NEW SWEDEN MUD 3	07/09/07	Inactive	5953938	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 27	06/05/85	Inactive	6041645	MUD	TCEQ
PARKLANDS MUD 1	11/01/04	Inactive	7023450	MUD	TCEQ
RANCH AT CLEAR FORK CREEK MUD 1	05/19/04	Inactive	2304250	MUD	TCEQ
RANCH AT CLEAR FORK CREEK MUD 2	05/19/04	Inactive	4739825	MUD	TCEQ
RANCHO ISABELLA MUD	03/18/81	Inactive	7175500	MUD	TCEQ
SIENA MUD 1	10/19/07	Inactive	7572400	MUD	TCEQ
SIENA MUD 2	10/19/07	Inactive	7572650	MUD	TCEQ
SIENNA PLANTATION MUD 13	09/26/02	Inactive	7573920	MUD	TCEQ
SMITH RIDGE MUD	01/29/73	Inactive	7576000	MUD	TCEQ
SOUTHBEND MUD	05/17/77	Inactive	7576700	MUD	TCEQ
TANGLEWOOD MUD	07/16/74	Inactive	7644000	MUD	TCEQ
TOWER OAKS PLAZA MUD	11/16/88	Inactive	7805000	MUD	TCEQ
TRAVIS COUNTY MUD 17	12/21/07	Inactive	7822366	MUD	TCEQ
TWINWOOD MUD 1	08/09/88	Inactive	8019000	MUD	TCEQ
VIDOR MUD	03/18/83	Inactive	8322000	MUD	TCEQ
VOLENTE MUD	11/01/04	Inactive	8326500	MUD	TCEQ
WATCH HILL MUD	03/07/08	Inactive	8454050	MUD	TCEQ
WEST BASTROP VILLAGE MUD	04/24/07	Inactive	8468525	MUD	TCEQ
WEST TRAVIS COUNTY MUD 1	04/11/88	Inactive	8485000	MUD	TCEQ
WEST TRAVIS COUNTY MUD 2	04/11/88	Inactive	8487000	MUD	TCEQ
WEST TRAVIS COUNTY MUD 7	07/31/02	Inactive	8489650	MUD	TCEQ
WILLIAMSON COUNTY MUD 17	02/26/04	Inactive	8664140	MUD	TCEQ
WILLIAMSON COUNTY MUD 18	02/26/04	Inactive	8664070	MUD	TCEQ
WILLIAMSON COUNTY MUD 23	01/25/08	Inactive	8664438	MUD	TCEQ
WILLIAMSON COUNTY MUD 25	12/10/09	Inactive	8664469	MUD	TCEQ
WILLOW POINT MUD	04/28/87	Inactive	8679500	MUD	TCEQ
ACTON MUD		Dissolved	980500	MUD	TCEQ
ALDINE MUD	12/13/1973	Dissolved	986000	MUD	TCEQ
ALDINE MUD 1	11/18/1987	Dissolved	986500	MUD	TCEQ
AUSTIN MUD 1	2/3/1987	Dissolved	1104000	MUD	TCEQ
AUSTIN MUD 2	2/3/1987	Dissolved	1105000	MUD	TCEQ
AUSTIN MUD 3	2/3/1987	Dissolved	1106000	MUD	TCEQ
BASTROP COUNTY MUD 1	7/13/1988	Dissolved	1206000	MUD	TCEQ
BLUE RIDGE SOUTH MUD		Dissolved	1547500	MUD	TCEQ
BRAZORIA COUNTY MUD 1	7/16/1981	Dissolved	1634500	MUD	TCEQ
BRAZORIA COUNTY MUD 10	5/21/1986	Dissolved	1636595	MUD	TCEQ
BRAZORIA COUNTY MUD 58	8/16/2007	Dissolved	1636547	MUD	TCEQ
BRAZOS COUNTY MUD 1	2/19/1975	Dissolved	1667500	MUD	TCEQ

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BROOKFIELD MUD	9/16/1968	Dissolved	1704000	MUD	TCEQ
CARPENTERS BAYOU MUD	5/9/1978	Dissolved	2254500	MUD	TCEQ
CEDAR CREEK MUD	6/3/1974	Dissolved	2259100	MUD	TCEQ
CEDAR PARK MUD 1	9/17/1986	Dissolved	2259500	MUD	TCEQ
CHAPARRAL MUD	1/12/1978	Dissolved	2283100	MUD	TCEQ
CHEROKEE MUD		Dissolved	2283400	MUD	TCEQ
CIBOLO MUD 1		Dissolved	2286500	MUD	TCEQ
CIBOLO MUD 2		Dissolved	2286600	MUD	TCEQ
CINCO MUD 11	8/20/1986	Dissolved	2286736	MUD	TCEQ
CINCO MUD 13	8/20/1986	Dissolved	2286740	MUD	TCEQ
CIRCLE C MUD 1	11/14/1984	Dissolved	2286800	MUD	TCEQ
CIRCLE C MUD 2	11/14/1984	Dissolved	2286802	MUD	TCEQ
CIRCLE C MUD 3	11/14/1984	Dissolved	2286804	MUD	TCEQ
CIRCLE C MUD 4	11/14/1984	Dissolved	2286806	MUD	TCEQ
COLONY MUD 1	6/11/1974	Dissolved	2332000	MUD	TCEQ
COMAL COUNTY MUD 2	8/15/1973	Dissolved	2389000	MUD	TCEQ
COPPELL MUD 1	5/7/1974	Dissolved	2404190	MUD	TCEQ
COPPELL MUD 2		Dissolved	2404192	MUD	TCEQ
CRIPPLE CREEK MUD	5/17/1977	Dissolved	2409000	MUD	TCEQ
CROSS ROADS MUD 1	11/21/2002	Dissolved	2412050	MUD	TCEQ
CYPRESS HILL MUD 2	10/10/1984	Dissolved	2412760	MUD	TCEQ
DALLAS COUNTY MUD 1		Dissolved	2609000	MUD	TCEQ
DAVENPORT RANCH MUD 1	7/16/1979	Dissolved	2691400	MUD	TCEQ
DAVIS BAYOU MUD	10/16/1972	Dissolved	2691500	MUD	TCEQ
DAVIS SPRING MUD	1/8/1986	Dissolved	2692000	MUD	TCEQ
DECKER CREEK MUD 1	11/19/1986	Dissolved	2693525	MUD	TCEQ
DECKER CREEK MUD 2	11/19/1986	Dissolved	2693530	MUD	TCEQ
DECKER CREEK MUD 3	11/19/1986	Dissolved	2693535	MUD	TCEQ
DECKER CREEK MUD 4	11/19/1986	Dissolved	2693540	MUD	TCEQ
DECKER CREEK MUD 5	11/19/1986	Dissolved	2693545	MUD	TCEQ
DENTON COUNTY MUD 1	3/4/1975	Dissolved	2721999	MUD	TCEQ
DENTON COUNTY MUD 2	10/9/1979	Dissolved	2722010	MUD	TCEQ
DENTON COUNTY MUD 3	5/21/1980	Dissolved	2722015	MUD	TCEQ
EAGLE MOUNTAIN MUD	3/12/1999	Dissolved	2770000	MUD	TCEQ
EAGLE RANCH MUD		Dissolved	2790000	MUD	TCEQ
EAST MONTGOMERY COUNTY MUD 1	10/24/1974	Dissolved	2802000	MUD	TCEQ
EAST MONTGOMERY COUNTY MUD 2	10/8/1976	Dissolved	2802100	MUD	TCEQ
EASTSIDE MUD	6/23/1973	Dissolved	2813000	MUD	TCEQ
ELKINS LAKE MUD	2/6/1969	Dissolved	2817800	MUD	TCEQ
ENCINO PARK MUD 1	10/4/1976	Dissolved	2890600	MUD	TCEQ
ENCINO PARK MUD 2	6/23/1982	Dissolved	2890602	MUD	TCEQ
ENCINO PARK MUD 3	6/23/1982	Dissolved	2890604	MUD	TCEQ
EVADALE MUD	11/19/1979	Dissolved	2891500	MUD	TCEQ

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FIRST COLONY MUD 1	12/19/1979	Dissolved	3037000	MUD	TCEQ
FIRST COLONY MUD 2	3/12/1981	Dissolved	3037300	MUD	TCEQ
FIRST COLONY MUD 3	6/25/1986	Dissolved	3037500	MUD	TCEQ
FIRST COLONY MUD 4	3/12/1981	Dissolved	3037700	MUD	TCEQ
FIRST COLONY MUD 5	3/12/1981	Dissolved	3037900	MUD	TCEQ
FIRST COLONY MUD 6	3/12/1981	Dissolved	3038100	MUD	TCEQ
FIRST COLONY MUD 7	3/12/1981	Dissolved	3038300	MUD	TCEQ
FIRST COLONY MUD 8	2/15/1984	Dissolved	3039000	MUD	TCEQ
FLOWER MOUND MUD 1	6/27/1972	Dissolved	3054500	MUD	TCEQ
FOREST POINT MUD	4/1/1987	Dissolved	3059800	MUD	TCEQ
FORT BEND COUNTY MUD 1	12/7/1972	Dissolved	3074000	MUD	TCEQ
FORT BEND COUNTY MUD 101	3/9/1988	Dissolved	3081000	MUD	TCEQ
FORT BEND COUNTY MUD 102	3/9/1988	Dissolved	3081200	MUD	TCEQ
FORT BEND COUNTY MUD 103	3/9/1988	Dissolved	3081300	MUD	TCEQ
FORT BEND COUNTY MUD 104	3/9/1988	Dissolved	3081400	MUD	TCEQ
FORT BEND COUNTY MUD 107	4/14/1989	Dissolved	3081700	MUD	TCEQ
FORT BEND COUNTY MUD 110	10/15/1991	Dissolved	3082000	MUD	TCEQ
FORT BEND COUNTY MUD 113	3/10/1997	Dissolved	3083000	MUD	TCEQ
FORT BEND COUNTY MUD 12	8/5/1975	Dissolved	3079080	MUD	TCEQ
FORT BEND COUNTY MUD 120	5/28/1999	Dissolved	3084850	MUD	TCEQ
FORT BEND COUNTY MUD 16	12/20/1976	Dissolved	3079300	MUD	TCEQ
FORT BEND COUNTY MUD 27	1/9/1979	Dissolved	3079930	MUD	TCEQ
FORT BEND COUNTY MUD 28	11/20/1978	Dissolved	3079940	MUD	TCEQ
FORT BEND COUNTY MUD 31	2/24/1981	Dissolved	3079952	MUD	TCEQ
FORT BEND COUNTY MUD 36	12/9/1981	Dissolved	3079962	MUD	TCEQ
FORT BEND COUNTY MUD 44	2/13/1985	Dissolved	3079978	MUD	TCEQ
FORT BEND COUNTY MUD 54	2/17/1987	Dissolved	3079998	MUD	TCEQ
FORT BEND COUNTY MUD 55	4/14/1987	Dissolved	3080000	MUD	TCEQ
FORT BEND COUNTY MUD 59	11/20/1985	Dissolved	3080010	MUD	TCEQ
FORT BEND COUNTY MUD 60		Dissolved	3080012	MUD	TCEQ
FORT BEND COUNTY MUD 73	11/18/1986	Dissolved	3080038	MUD	TCEQ
FORT BEND COUNTY MUD 74	7/8/1987	Dissolved	3080040	MUD	TCEQ
FORT BEND COUNTY MUD 9	7/1/1975	Dissolved	3079050	MUD	TCEQ
FORT BEND COUNTY MUD 92	7/13/1992	Dissolved	3080070	MUD	TCEQ
FORT BEND COUNTY MUD 93	12/14/1987	Dissolved	3080075	MUD	TCEQ
FORT BEND COUNTY WCID 4	1/7/1964	Dissolved	3092000	MUD	TCEQ
GALVESTON COUNTY MUD 20	11/10/1987	Dissolved	3202550	MUD	TCEQ
GALVESTON COUNTY MUD 4		Dissolved	3202025	MUD	TCEQ
GALVESTON COUNTY MUD 9	1/20/1982	Dissolved	3202406	MUD	TCEQ
GRIMES COUNTY MUD 2		Dissolved	3421500	MUD	TCEQ
GUADCO MUD 1	10/28/1975	Dissolved	3442000	MUD	TCEQ
GUADCO MUD 2	10/28/1975	Dissolved	3443000	MUD	TCEQ
HARRIS COUNTY MUD 10	11/17/1971	Dissolved	3737068	MUD	TCEQ

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HARRIS COUNTY MUD 103	9/19/1973	Dissolved	3737253	MUD	TCEQ
HARRIS COUNTY MUD 107	2/25/1974	Dissolved	3737262	MUD	TCEQ
HARRIS COUNTY MUD 114		Dissolved	3737275	MUD	TCEQ
HARRIS COUNTY MUD 115	6/6/1979	Dissolved	3737278	MUD	TCEQ
HARRIS COUNTY MUD 123	7/16/1974	Dissolved	3737304	MUD	TCEQ
HARRIS COUNTY MUD 126	4/14/1976	Dissolved	3737310	MUD	TCEQ
HARRIS COUNTY MUD 13		Dissolved	3737074	MUD	TCEQ
HARRIS COUNTY MUD 137	2/23/1978	Dissolved	3737332	MUD	TCEQ
HARRIS COUNTY MUD 139	5/8/1975	Dissolved	3737336	MUD	TCEQ
HARRIS COUNTY MUD 14	3/15/1972	Dissolved	3737076	MUD	TCEQ
HARRIS COUNTY MUD 142	6/17/1975	Dissolved	3737341	MUD	TCEQ
HARRIS COUNTY MUD 145	3/7/1977	Dissolved	3737348	MUD	TCEQ
HARRIS COUNTY MUD 15	11/9/1972	Dissolved	3737078	MUD	TCEQ
HARRIS COUNTY MUD 159	12/22/1978	Dissolved	3737376	MUD	TCEQ
HARRIS COUNTY MUD 169	12/10/1980	Dissolved	3737406	MUD	TCEQ
HARRIS COUNTY MUD 17	8/23/1972	Dissolved	3737082	MUD	TCEQ
HARRIS COUNTY MUD 175	7/16/1980	Dissolved	3737418	MUD	TCEQ
HARRIS COUNTY MUD 177	7/9/1980	Dissolved	3737422	MUD	TCEQ
HARRIS COUNTY MUD 181	10/17/1979	Dissolved	3737430	MUD	TCEQ
HARRIS COUNTY MUD 184	7/10/1979	Dissolved	3737436	MUD	TCEQ
HARRIS COUNTY MUD 192	2/19/1986	Dissolved	3737452	MUD	TCEQ
HARRIS COUNTY MUD 194	5/12/1981	Dissolved	3737456	MUD	TCEQ
HARRIS COUNTY MUD 195	12/21/1983	Dissolved	3737458	MUD	TCEQ
HARRIS COUNTY MUD 197	11/18/1981	Dissolved	3737462	MUD	TCEQ
HARRIS COUNTY MUD 199	12/10/1980	Dissolved	3737466	MUD	TCEQ
HARRIS COUNTY MUD 2	2/3/1975	Dissolved	3737052	MUD	TCEQ
HARRIS COUNTY MUD 20	12/13/1972	Dissolved	3737088	MUD	TCEQ
HARRIS COUNTY MUD 20	12/13/1972	Dissolved	3737087	MUD	TCEQ
HARRIS COUNTY MUD 203	10/8/1980	Dissolved	3737474	MUD	TCEQ
HARRIS COUNTY MUD 21	12/7/1977	Dissolved	3737090	MUD	TCEQ
HARRIS COUNTY MUD 212	2/2/1982	Dissolved	3737492	MUD	TCEQ
HARRIS COUNTY MUD 218	7/23/1981	Dissolved	3737504	MUD	TCEQ
HARRIS COUNTY MUD 22	6/13/1972	Dissolved	3737092	MUD	TCEQ
HARRIS COUNTY MUD 223	1/6/1982	Dissolved	3737514	MUD	TCEQ
HARRIS COUNTY MUD 229	8/31/1982	Dissolved	3737526	MUD	TCEQ
HARRIS COUNTY MUD 236	6/29/1983	Dissolved	3737540	MUD	TCEQ
HARRIS COUNTY MUD 237	4/26/1983	Dissolved	3737542	MUD	TCEQ
HARRIS COUNTY MUD 240	7/9/1985	Dissolved	3737548	MUD	TCEQ
HARRIS COUNTY MUD 246	5/24/1983	Dissolved	3737560	MUD	TCEQ
HARRIS COUNTY MUD 247	6/29/1983	Dissolved	3737562	MUD	TCEQ
HARRIS COUNTY MUD 252	12/13/1983	Dissolved	3737630	MUD	TCEQ
HARRIS COUNTY MUD 254	3/21/1983	Dissolved	3737700	MUD	TCEQ
HARRIS COUNTY MUD 256	3/7/1984	Dissolved	3737704	MUD	TCEQ

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HARRIS COUNTY MUD 259	1/25/1984	Dissolved	3737710	MUD	TCEQ
HARRIS COUNTY MUD 26	8/22/1972	Dissolved	3737099	MUD	TCEQ
HARRIS COUNTY MUD 262	7/10/1985	Dissolved	3737716	MUD	TCEQ
HARRIS COUNTY MUD 263	6/27/1984	Dissolved	3737718	MUD	TCEQ
HARRIS COUNTY MUD 265	7/11/1984	Dissolved	3737722	MUD	TCEQ
HARRIS COUNTY MUD 266	7/11/1984	Dissolved	3737724	MUD	TCEQ
HARRIS COUNTY MUD 27	8/22/1972	Dissolved	3737101	MUD	TCEQ
HARRIS COUNTY MUD 272	4/25/1984	Dissolved	3737734	MUD	TCEQ
HARRIS COUNTY MUD 277	3/12/1985	Dissolved	3737744	MUD	TCEQ
HARRIS COUNTY MUD 279	5/7/1985	Dissolved	3737748	MUD	TCEQ
HARRIS COUNTY MUD 28	9/23/1974	Dissolved	3737104	MUD	TCEQ
HARRIS COUNTY MUD 283	5/28/1986	Dissolved	3737760	MUD	TCEQ
HARRIS COUNTY MUD 288	7/29/1985	Dissolved	3737770	MUD	TCEQ
HARRIS COUNTY MUD 289	9/11/1985	Dissolved	3737772	MUD	TCEQ
HARRIS COUNTY MUD 29	12/19/1972	Dissolved	3737106	MUD	TCEQ
HARRIS COUNTY MUD 291	2/13/1985	Dissolved	3737776	MUD	TCEQ
HARRIS COUNTY MUD 292	2/13/1985	Dissolved	3737778	MUD	TCEQ
HARRIS COUNTY MUD 294	2/5/1986	Dissolved	3737782	MUD	TCEQ
HARRIS COUNTY MUD 3	8/22/1972	Dissolved	3737054	MUD	TCEQ
HARRIS COUNTY MUD 30	1/23/1973	Dissolved	3737107	MUD	TCEQ
HARRIS COUNTY MUD 324	6/3/1987	Dissolved	3737844	MUD	TCEQ
HARRIS COUNTY MUD 325	8/26/1986	Dissolved	3737846	MUD	TCEQ
HARRIS COUNTY MUD 343	7/8/1988	Dissolved	3737930	MUD	TCEQ
HARRIS COUNTY MUD 347	1/5/1989	Dissolved	3737955	MUD	TCEQ
HARRIS COUNTY MUD 348	7/8/1988	Dissolved	3737980	MUD	TCEQ
HARRIS COUNTY MUD 35	12/12/1972	Dissolved	3737118	MUD	TCEQ
HARRIS COUNTY MUD 350	6/7/1989	Dissolved	3737985	MUD	TCEQ
HARRIS COUNTY MUD 351	11/15/1988	Dissolved	3737990	MUD	TCEQ
HARRIS COUNTY MUD 356	9/12/1991	Dissolved	3738020	MUD	TCEQ
HARRIS COUNTY MUD 385	12/9/2002	Dissolved	3738428	MUD	TCEQ
HARRIS COUNTY MUD 39	3/21/1973	Dissolved	3737125	MUD	TCEQ
HARRIS COUNTY MUD 4	8/22/1972	Dissolved	3737056	MUD	TCEQ
HARRIS COUNTY MUD 40	6/11/1974	Dissolved	3737128	MUD	TCEQ
HARRIS COUNTY MUD 42	3/21/1973	Dissolved	3737132	MUD	TCEQ
HARRIS COUNTY MUD 45	5/2/1973	Dissolved	3737138	MUD	TCEQ
HARRIS COUNTY MUD 479	8/22/2006	Dissolved	3737110	MUD	TCEQ
HARRIS COUNTY MUD 488	7/12/2007	Dissolved	2055431	MUD	TCEQ
HARRIS COUNTY MUD 51	3/20/1973	Dissolved	3737149	MUD	TCEQ
HARRIS COUNTY MUD 52	2/25/1974	Dissolved	3737152	MUD	TCEQ
HARRIS COUNTY MUD 67	5/2/1973	Dissolved	3737182	MUD	TCEQ
HARRIS COUNTY MUD 7	8/22/1972	Dissolved	3737062	MUD	TCEQ
HARRIS COUNTY MUD 71		Dissolved	3737189	MUD	TCEQ
HARRIS COUNTY MUD 72	6/17/1974	Dissolved	3737191	MUD	TCEQ



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HARRIS COUNTY MUD 73		Dissolved	3737193	MUD	TCEQ
HARRIS COUNTY MUD 73	9/23/1977	Dissolved	3737194	MUD	TCEQ
HARRIS COUNTY MUD 74	3/13/1979	Dissolved	3737195	MUD	TCEQ
HARRIS COUNTY MUD 75		Dissolved	3737197	MUD	TCEQ
HARRIS COUNTY MUD 77	6/27/1978	Dissolved	3737202	MUD	TCEQ
HARRIS COUNTY MUD 85	8/21/1973	Dissolved	3737218	MUD	TCEQ
HARRIS COUNTY MUD 9	12/13/1972	Dissolved	3737066	MUD	TCEQ
HARRIS COUNTY MUD 90	10/15/1973	Dissolved	3737228	MUD	TCEQ
HARRIS COUNTY MUD 92	11/7/1974	Dissolved	3737231	MUD	TCEQ
HARRIS COUNTY MUD 93	11/7/1974	Dissolved	3737234	MUD	TCEQ
HARRIS COUNTY MUD 97	12/11/1974	Dissolved	3737242	MUD	TCEQ
HARRIS COUNTY MUD 98	7/10/1973	Dissolved	3737244	MUD	TCEQ
HARRIS COUNTY WCID 104	3/20/1968	Dissolved	4241040	MUD	TCEQ
HARRIS COUNTY WCID 111	7/23/1968	Dissolved	4241110	MUD	TCEQ
HARRIS COUNTY WCID 112	7/23/1968	Dissolved	4241120	MUD	TCEQ
HARRIS COUNTY WCID 93	1/25/1965	Dissolved	4210000	MUD	TCEQ
HAYS COUNTY MUD 1	6/28/1978	Dissolved	4420700	MUD	TCEQ
HAYS COUNTY MUD 2	5/20/1987	Dissolved	4420705	MUD	TCEQ
HAYS COUNTY MUD 3	5/20/1987	Dissolved	4420710	MUD	TCEQ
HIGHLAND HOLLOW MUD	10/27/1972	Dissolved	4634500	MUD	TCEQ
HUNTERWOOD MUD	11/6/1972	Dissolved	4699500	MUD	TCEQ
INTERWOOD MUD	3/16/1982	Dissolved	4713500	MUD	TCEQ
KERRVILLE MUD	7/9/1973	Dissolved	5193300	MUD	TCEQ
KINGWOOD PLACE-SOUTH MUD	12/23/1987	Dissolved	5196400	MUD	TCEQ
LAGO VISTA MUD	8/24/1972	Dissolved	5300500	MUD	TCEQ
LAKE LBJ MUD	10/14/1971	Dissolved	5310500	MUD	TCEQ
LAKE LYNDON B JOHNSON MUD 2	12/5/1974	Dissolved	5310700	MUD	TCEQ
LAKE VILLAGE UTILITY DISTRICT	9/12/1973	Dissolved	5322100	MUD	TCEQ
LAKE VISTA RANCH MUD 1	2/13/2003	Dissolved	5322150	MUD	TCEQ
LAKE VISTA RANCH MUD 2	3/6/2003	Dissolved	5322175	MUD	TCEQ
LAKE VISTA RANCH MUD 3	11/10/2004	Dissolved	5316588	MUD	TCEQ
LAKEWAY MUD 1	2/17/1972	Dissolved	5323400	MUD	TCEQ
LOGAN MUD	3/6/1979	Dissolved	5444900	MUD	TCEQ
LOST VALLEY RANCH MUD	8/30/1973	Dissolved	5448720	MUD	TCEQ
LOST VALLEY SHORES MUD	2/20/1973	Dissolved	5448800	MUD	TCEQ
MAPLE RUN AT AUSTIN MUD	9/6/1984	Dissolved	5662700	MUD	TCEQ
MCQUEENEY MUD	2/14/1973	Dissolved	5797000	MUD	TCEQ
MEADOWLAKES MUD	10/10/1974	Dissolved	5798200	MUD	TCEQ
MELROSE PARK MUD	12/14/1982	Dissolved	5812900	MUD	TCEQ
MONTGOMERY COUNTY MUD 14	3/21/1973	Dissolved	5857540	MUD	TCEQ
MONTGOMERY COUNTY MUD 21		Dissolved	5857790	MUD	TCEQ
MONTGOMERY COUNTY MUD 22	8/22/1973	Dissolved	5857800	MUD	TCEQ
MONTGOMERY COUNTY MUD 23	2/19/1974	Dissolved	5857830	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
MONTGOMERY COUNTY MUD 25	3/25/1974	Dissolved	5857850	MUD	TCEQ
MONTGOMERY COUNTY MUD 32	7/24/1974	Dissolved	5857940	MUD	TCEQ
MONTGOMERY COUNTY MUD 33	1/7/1974	Dissolved	5857950	MUD	TCEQ
MONTGOMERY COUNTY MUD 35	10/1/1974	Dissolved	5857970	MUD	TCEQ
MONTGOMERY COUNTY MUD 41	1/9/1979	Dissolved	5857994	MUD	TCEQ
MONTGOMERY COUNTY MUD 43	10/17/1979	Dissolved	5857997	MUD	TCEQ
MONTGOMERY COUNTY MUD 44	10/17/1979	Dissolved	5857998	MUD	TCEQ
MONTGOMERY COUNTY MUD 48	9/29/1982	Dissolved	5858054	MUD	TCEQ
MONTGOMERY COUNTY MUD 53	12/16/1982	Dissolved	5858064	MUD	TCEQ
MONTGOMERY COUNTY MUD 58	9/28/1982	Dissolved	5858074	MUD	TCEQ
MONTGOMERY COUNTY MUD 59	1/4/1984	Dissolved	5858080	MUD	TCEQ
MONTGOMERY COUNTY UTILITY DISTRICT 8	9/12/1972	Dissolved	5859700	MUD	TCEQ
NORTH AUSTIN GROWTH CORRIDOR MUD 1		Dissolved	5968500	MUD	TCEQ
NORTH CENTRAL AUSTIN GROWTH CORRIDOR MUD 1	8/26/1982	Dissolved	5978000	MUD	TCEQ
NORTH HARRIS COUNTY MUD 1	7/8/1980	Dissolved	5984500	MUD	TCEQ
NORTH TRAVIS COUNTY MUD 1		Dissolved	6014500	MUD	TCEQ
NORTH TRAVIS COUNTY MUD 2		Dissolved	6014525	MUD	TCEQ
NORTH TRAVIS COUNTY MUD 3		Dissolved	6014550	MUD	TCEQ
NORTH TRAVIS COUNTY MUD 5	1/3/1986	Dissolved	6015000	MUD	TCEQ
NORTHBOROUGH MUD	9/18/1974	Dissolved	5969100	MUD	TCEQ
NORTHEAST MEDINA COUNTY MUD 1	4/27/1989	Dissolved	5980510	MUD	TCEQ
NORTHEAST MEDINA COUNTY MUD 2	4/27/1989	Dissolved	5980520	MUD	TCEQ
NORTHEAST MEDINA COUNTY MUD 3	4/27/1989	Dissolved	5980530	MUD	TCEQ
NORTHGATE CROSSING MUD 3	4/28/1987	Dissolved	5983750	MUD	TCEQ
NORTHWAY MUD	11/6/1972	Dissolved	6021000	MUD	TCEQ
NORTHWEST AUSTIN MUD 1	3/16/1988	Dissolved	6023100	MUD	TCEQ
NORTHWEST AUSTIN MUD 2	3/16/1988	Dissolved	6023500	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 25	2/23/1982	Dissolved	6041589	MUD	TCEQ
NORTHWEST HARRIS COUNTY MUD 8	10/3/1979	Dissolved	6041200	MUD	TCEQ
NORTHWEST TRAVIS COUNTY MUD 1	3/13/1979	Dissolved	6042850	MUD	TCEQ
NORTHWEST TRAVIS COUNTY MUD 2	3/11/1980	Dissolved	6042852	MUD	TCEQ
OAK POINT MUD 1	8/22/2002	Dissolved	6182500	MUD	TCEQ
OLD RIVER COUNTRY MUD		Dissolved	6190000	MUD	TCEQ
PALO PINTO MUD 1		Dissolved	6520000	MUD	TCEQ
PALO PINTO MUD 2		Dissolved	6521000	MUD	TCEQ
PARK CENTRAL MUD	2/26/1974	Dissolved	7022000	MUD	TCEQ
PARK TEN MUD	3/12/1973	Dissolved	7023200	MUD	TCEQ
PECAN GROVE MUD 1	6/27/1975	Dissolved	7039001	MUD	TCEQ
PECAN PARK MUD	3/9/1982	Dissolved	7039500	MUD	TCEQ
POINT VENTURE II MUD		Dissolved	7113500	MUD	TCEQ
REID ROAD MUD 2		Dissolved	7281200	MUD	TCEQ
REMINGTON MUD 2	10/8/1986	Dissolved	7281252	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
REMINGTON MUD 3	10/8/1986	Dissolved	7281254	MUD	TCEQ
RIVERHILL MUD	7/9/1973	Dissolved	7288000	MUD	TCEQ
RIVERSIDE MUD	9/10/1973	Dissolved	7291000	MUD	TCEQ
ROCKWALL COUNTY MUD 1	2/29/1972	Dissolved	7310100	MUD	TCEQ
ROCKWALL COUNTY MUD 2	6/19/1972	Dissolved	7310125	MUD	TCEQ
ROCKWALL COUNTY MUD 3	6/19/1972	Dissolved	7310200	MUD	TCEQ
ROCKWALL COUNTY MUD 4	6/19/1972	Dissolved	7310250	MUD	TCEQ
ROCKWALL COUNTY MUD 5	6/19/1972	Dissolved	7310300	MUD	TCEQ
ROSE RICH MUD	1/10/1973	Dissolved	7326500	MUD	TCEQ
ROSEWOOD MUD	11/27/1972	Dissolved	7328000	MUD	TCEQ
SAGEBEND MUD	5/17/1977	Dissolved	7400999	MUD	TCEQ
SALADO MUD	2/19/1974	Dissolved	7406000	MUD	TCEQ
SAN ELIZARIO GRANT MUD	2/18/1982	Dissolved	7467000	MUD	TCEQ
SAN JACINTO COUNTY MUD 14		Dissolved	7479070	MUD	TCEQ
SAN JACINTO COUNTY MUD 4	8/21/1973	Dissolved	7479000	MUD	TCEQ
SCARSDALE MUD	1/7/1969	Dissolved	7545000	MUD	TCEQ
SHADY HOLLOW MUD		Dissolved	7586990	MUD	TCEQ
SHENANDOAH VALLEY MUD	12/9/1970	Dissolved	7572000	MUD	TCEQ
SIENNA PLANTATION MUD 1		Dissolved	7573500	MUD	TCEQ
SIENNA PLANTATION MUD 11	9/26/2002	Dissolved	7573916	MUD	TCEQ
SIENNA PLANTATION MUD 8	2/5/1990	Dissolved	7573910	MUD	TCEQ
SIENNA PLANTATION MUD 9	9/26/2002	Dissolved	7573912	MUD	TCEQ
SOUTH AUSTIN GROWTH CORRIDOR MUD		Dissolved	7576600	MUD	TCEQ
<sup>1</sup> SOUTH LOOP MUD	6/27/1975	Dissolved	7579800	MUD	TCEQ
SOUTH MISSION GLEN MUD	1/8/1986	Dissolved	7579900	MUD	TCEQ
SOUTH SHORE HARBOR MUD 1	7/13/1982	Dissolved	7585200	MUD	TCEQ
SOUTH SHORE HARBOR MUD 4	7/13/1982	Dissolved	7585206	MUD	TCEQ
SOUTH SHORE HARBOR MUD 5	7/13/1982	Dissolved	7585208	MUD	TCEQ
SOUTHLAND OAKS MUD	11/13/1984	Dissolved	7579700	MUD	TCEQ
SPRING MEADOWS MUD	9/28/1971	Dissolved	7593000	MUD	TCEQ
STARR COUNTY WCID 2	2/14/1949	Dissolved	7600000	MUD	TCEQ
STEWART CREEK MUD	6/27/1975	Dissolved	7605000	MUD	TCEQ
SUNRISE BEACH MUD 1	6/20/1972	Dissolved	7633800	MUD	TCEQ
TARRANT COUNTY MUD 1	1/14/1975	Dissolved	7693000	MUD	TCEQ
THE GREATER BEAUXART GARDENS MUD	3/13/1978	Dissolved	3413000	MUD	TCEQ
THREE LAKES MUD 1		Dissolved	7780000	MUD	TCEQ
TRAVIS COUNTY MUD 1	8/24/1972	Dissolved	7820100	MUD	TCEQ
VALLEY MUD 1	5/11/1966	Dissolved	8267000	MUD	TCEQ
VIA RANCH MUD 1		Dissolved	8273050	MUD	TCEQ
VIA RANCH MUD 2		Dissolved	8273060	MUD	TCEQ
VIA RANCH MUD 3	3/5/1987	Dissolved	8273065	MUD	TCEQ
VIA RANCH MUD 4		Dissolved	8273070	MUD	TCEQ
VILLAGE AT WESTERN OAKS MUD	11/13/1984	Dissolved	8326000	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
WALKER COUNTY MUD	6/11/1974	Dissolved	8330000	MUD	TCEQ
WARWICK MUD	9/3/1974	Dissolved	8453000	MUD	TCEQ
WEST BELT MUD	5/30/1973	Dissolved	8465100	MUD	TCEQ
WEST FORK MUD	3/15/1972	Dissolved	8472510	MUD	TCEQ
WEST HARRIS COUNTY MUD 20	2/25/1987	Dissolved	8472986	MUD	TCEQ
WEST HARRIS COUNTY MUD 8	4/28/1982	Dissolved	8472950	MUD	TCEQ
WEST HOUSTON MUD	1/23/1980	Dissolved	8473100	MUD	TCEQ
WESTLAKE VILLAGE MUD		Dissolved	8473800	MUD	TCEQ
WESTWOOD SHORES MUD 2	2/13/1973	Dissolved	8496000	MUD	TCEQ
WHITE OAK/1960 MUD	12/18/1984	Dissolved	8538010	MUD	TCEQ
WILLIAMSON COUNTY MUD 1		Dissolved	8663000	MUD	TCEQ
WILLIAMSON COUNTY MUD 2		Dissolved	8664000	MUD	TCEQ
WILLIAMSON COUNTY MUD 3	7/15/1980	Dissolved	8664500	MUD	TCEQ
WILLIAMSON COUNTY MUD 4	10/21/1986	Dissolved	8664510	MUD	TCEQ
WILLIAMSON COUNTY MUD 5	8/15/1984	Dissolved	8664520	MUD	TCEQ
WILLIAMSON COUNTY MUD 6	8/15/1984	Dissolved	8664530	MUD	TCEQ
WILLIAMSON COUNTY MUD 7	5/7/1986	Dissolved	8664532	MUD	TCEQ
WILLIAMSON COUNTY MUD 8	5/7/1986	Dissolved	8664534	MUD	TCEQ
WILLOW CHASE MUD	5/6/1980	Dissolved	8672000	MUD	TCEQ
WINFIELD MUD 1	6/27/2005	Dissolved	8682250	MUD	TCEQ
WINFIELD MUD 2	6/27/2005	Dissolved	8682375	MUD	TCEQ
WINFIELD MUD 3	6/27/2005	Dissolved	8682438	MUD	TCEQ
WINFIELD MUD 4	6/27/2005	Dissolved	8682469	MUD	TCEQ
WOOD BEND MUD	7/16/1974	Dissolved	8714000	MUD	TCEQ
WOODHARBOR MUD	4/3/1973	Dissolved	8723000	MUD	TCEQ
WORTHAM PARK MUD	4/13/1982	Dissolved	8770000	MUD	TCEQ
ZAPATA COUNTY MUD 1	11/22/1977	Dissolved	8828000	MUD	TCEQ

District Name	Creation Date	Status	District Number	District Type	Created By
BROWN COUNTY WATER IMPROVEMENT DISTRICT 1	11/27/26	Active	1720000	MUD	County
DALLAS COUNTY WCID 6	07/23/51	Active	2670000	MUD	County
ECTOR COUNTY UTILITY DISTRICT	07/12/76	Active	2816000	MUD	County
FORT BEND COUNTY FWSD 2	01/23/01	Active	3066100	MUD	County
GALVESTON COUNTY FWSD 6	12/09/78	Active	3200050	MUD	County
GALVESTON COUNTY WCID 12	06/11/51	Active	3330000	MUD	County
GALVESTON COUNTY WCID 19	07/08/63	Active	3374000	MUD	County
HARRIS COUNTY FWSD 47	06/04/59	Active	3722000	MUD	County
HARRIS COUNTY FWSD 51	12/19/60	Active	3727000	MUD	County
HARRIS COUNTY FWSD 52	01/19/61	Active	3728000	MUD	County
HARRIS COUNTY FWSD 58	10/18/65	Active	3732000	MUD	County
HARRIS COUNTY FWSD 61	05/22/67	Active	3733010	MUD	County
HIDALGO COUNTY MUD 1	04/22/47	Active	4445300	MUD	County
HOUSTON COUNTY WCID 1	05/13/55	Active	4660000	MUD	County
HOWARD COUNTY WCID 1	08/30/54	Active	4670000	MUD	County
LAGUNA MADRE WATER DISTRICT	12/05/50	Active	5300700	MUD	County
LLANO COUNTY MUD 1	12/14/70	Active	5444000	MUD	County
MACEDONIA-EYLAU MUD 1	12/21/67	Active	5600000	MUD	County
MONTGOMERY COUNTY FWSD 6	08/14/76	Active	5856700	MUD	County
PASEO DEL ESTE MUD 10	10/20/05	Active	7024700	MUD	County
POLK COUNTY FWSD 2	01/26/76	Active	7114100	MUD	County
REBECCA CREEK MUD	03/15/84	Active	7215000	MUD	County
SHELDON ROAD MUD	08/20/59	Active	7571500	MUD	County
SIENNA PLANTATION MUD 1	08/12/78	Active	7573400	MUD	County
SOUTHERN MONTGOMERY COUNTY MUD	08/01/68	Active	7579050	MUD	County
TOM GREEN COUNTY FWSD 3	09/08/80	Active	7797000	MUD	County
ARCADIAN GARDENS MUD	05/23/57	Inactive	1047900	MUD	County
JOHNSON RANCH MUD	02/20/07	Inactive	2392500	MUD	County
BRUSHY CREEK SOUTH MUD	7/21/1978	Dissolved	1739000	MUD	County
CAMERON COUNTY FWSD 1		Dissolved	1980000	MUD	County
DALLAS COUNTY FWSD 15	6/19/1950	Dissolved	2560000	MUD	County
DALLAS COUNTY LID 17	4/29/1976	Dissolved	2600799	MUD	County
DALLAS COUNTY MUD 2	4/29/1976	Dissolved	2610001	MUD	County
EL PASO COUNTY MUD 1	5/29/1995	Dissolved	2851340	MUD	County
ERATH COUNTY WCID 1	7/14/1976	Dissolved	2890800	MUD	County
FOREST COVE ESTATES MUD	12/8/1966	Dissolved	3057700	MUD	County
FOREST COVE MUD	11/28/1964	Dissolved	3057900	MUD	County
FOREST COVE MUD	11/28/1964	Dissolved	3057902	MUD	County
FOREST COVE MUD	11/28/1964	Dissolved	3058000	MUD	County
JEFFERSON COUNTY FWSD 1	9/10/1941	Dissolved	4930000	MUD	County
KAUFMAN COUNTY MUD 1	9/25/1918	Dissolved	5188900	MUD	County
PANORAMA MUD	5/2/1966	Dissolved	7021100	MUD	County

District Name	Creation Date	Status	District Number	District Type	Created By
POLK COUNTY FWSD 1	1/24/1973	Dissolved	7114000	MUD	County
SUNSET RIDGE MUD	4/16/1969	Dissolved	7634500	MUD	County
TROPHY CLUB MUD 2	8/6/1990	Dissolved	8014500	MUD	County
WEST GUADALUPE COUNTY MUD	8/8/1949	Dissolved	8472700	MUD	County

District Name	Creation Date	Status	District Number	District Type	Created By
LAZY NINE MUD 1A	09/01/03	Active	5374000	MUD	Board
LAZY NINE MUD 1B	11/06/07	Active	5374500	MUD	Board
LAZY NINE MUD 1C	11/06/07	Active	5374750	MUD	Board
LAZY NINE MUD 1D	11/06/07	Active	5374875	MUD	Board
LAZY NINE MUD 1E	11/06/07	Active	5374938	MUD	Board

## **Appendix B-1**

PROPOSED LANGUAGE  
FOR MODEL BILL CREATING A MUNICIPAL UTILITY DISTRICT

By: \_\_\_\_\_ .B. No. \_\_\_\_\_

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the \_\_\_\_\_ Municipal Utility  
3 District \_\_\_\_\_ *[[add as required]]*; providing authority to impose  
4 a tax and issue bonds; granting a limited power of eminent domain.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
7 Code, is amended by adding Chapter 8 \_\_\_\_\_ to read as follows:

8 CHAPTER 8 \_\_\_\_\_ . \_\_\_\_\_ MUNICIPAL UTILITY DISTRICT

9

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8 \_\_\_\_ .001. DEFINITIONS. In this chapter:

12 (1) "Board" means the district's board of directors.

13 (2) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (3) "Director" means a board member.

16 (4) "District" means the \_\_\_\_\_ Municipal  
17 Utility District \_\_\_\_\_.

18 Sec. 8 \_\_\_\_ .002. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 8 \_\_\_\_ .003. CONFIRMATION AND DIRECTORS' ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.



1           Sec. 8\_\_\_\_.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 8\_\_\_\_.003  
3 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7           Sec. 8\_\_\_\_.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
8 The district is created to serve a public purpose and benefit.  
9 *[[[Include as applicable one of the following versions of*  
10 *Subsection (b). Include the first version if the district, under*  
11 *Section 8\_\_\_\_.103, has the authority to maintain or operate roads.*  
12 *Include the second version of Subsection (b) if the district, under*  
13 *Section 8\_\_\_\_.103, will convey roads to this state, a county, or a*  
14 *municipality for operation and maintenance.]]]*

15           (b) The district is created to accomplish the purposes of:  
16               (1) a municipal utility district as provided by  
17 general law and Section 59, Article XVI, Texas Constitution; and  
18               (2) Section 52, Article III, Texas Constitution, that  
19 relate to the construction, acquisition, improvement, operation,  
20 or maintenance of macadamized, graveled, or paved roads, or  
21 improvements, including storm drainage, in aid of those roads.

22           (b) The district is created to accomplish the purposes of:  
23               (1) a municipal utility district as provided by  
24 general law and Section 59, Article XVI, Texas Constitution; and  
25               (2) Section 52, Article III, Texas Constitution, that  
26 relate to the construction, acquisition, or improvement of  
27 macadamized, graveled, or paved roads described by Section 54.234,

1 Water Code, or improvements, including storm drainage, in aid of  
2 those roads.

3 Sec. 8\_\_\_\_.006. INITIAL DISTRICT TERRITORY. (a) The  
4 district is initially composed of the territory described by  
5 Section 2 of the Act enacting this chapter.

6 (b) The boundaries and field notes contained in Section 2 of  
7 the Act enacting this chapter form a closure. A mistake made in the  
8 field notes or in copying the field notes in the legislative process  
9 does not affect the district's:

10 (1) organization, existence, or validity;

11 (2) right to issue any type of bond for the purposes  
12 for which the district is created or to pay the principal of and  
13 interest on a bond;

14 (3) right to impose a tax; or

15 (4) legality or operation.

16 [Sections 8\_\_\_\_.007-8\_\_\_\_.050 reserved for expansion]

17 SUBCHAPTER B. BOARD OF DIRECTORS

18 Sec. 8\_\_\_\_.051. GOVERNING BODY; TERMS. (a) The district is  
19 governed by a board of five elected directors.

20 (b) Except as provided by Section 8\_\_\_\_.052, directors serve  
21 staggered four-year terms.

22 Sec. 8\_\_\_\_.052. TEMPORARY DIRECTORS. [[[Include as  
23 applicable one of the following versions of Subsection (a) if  
24 selection of the temporary directors by one of those methods is  
25 desired.]]] (a) The temporary board consists of:

26 (1) \_\_\_\_\_;

27 (2) \_\_\_\_\_;

1                   (3) \_\_\_\_\_;

2                   (4) \_\_\_\_\_; and

3                   (5) \_\_\_\_\_.

4           (a) On or after *[[[select as appropriate]]* September 1,  
5 2011, *[[[or, if the bill is intended to take effect immediately]]]*  
6 the effective date of the Act enacting this chapter, the owner or  
7 owners of a majority of the assessed value of the real property in  
8 the district may submit a petition to the commission requesting  
9 that the commission appoint as temporary directors the five persons  
10 named in the petition. The commission shall appoint as temporary  
11 directors the five persons named in the petition.

12           (b) Temporary directors serve until the earlier of:

13                   (1) the date permanent directors are elected under  
14 Section 8\_\_\_\_.003; or

15                   (2) *[[[select either]]]* September 1, 2015. *[[[or, if*  
16 *the bill is intended to take effect immediately]]]* the fourth  
17 anniversary of the effective date of the Act enacting this chapter.

18           (c) If permanent directors have not been elected under  
19 Section 8\_\_\_\_.003 and the terms of the temporary directors have  
20 expired, successor temporary directors shall be appointed or  
21 reappointed as provided by Subsection (d) to serve terms that  
22 expire on the earlier of:

23                   (1) the date permanent directors are elected under  
24 Section 8\_\_\_\_.003; or

25                   (2) the fourth anniversary of the date of the  
26 appointment or reappointment.

27           (d) If Subsection (c) applies, the owner or owners of a

1 majority of the assessed value of the real property in the district  
2 may submit a petition to the commission requesting that the  
3 commission appoint as successor temporary directors the five  
4 persons named in the petition. The commission shall appoint as  
5 successor temporary directors the five persons named in the  
6 petition.

7 [Sections 8\_\_\_\_.053-8\_\_\_\_.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8\_\_\_\_.101. GENERAL POWERS AND DUTIES. The district has  
10 the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12 Sec. 8\_\_\_\_.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17 [[[Include the following version of Sections 8\_\_\_\_.103 and 8\_\_\_\_.104  
18 if the intent is that the district have broad road powers.]]]

19 Sec. 8\_\_\_\_.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
20 52, Article III, Texas Constitution, the district may design,  
21 acquire, construct, finance, issue bonds for, improve, operate,  
22 maintain, and convey to this state, a county, or a municipality for  
23 operation and maintenance macadamized, graveled, or paved roads, or  
24 improvements, including storm drainage, in aid of those roads.

25 Sec. 8\_\_\_\_.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
26 project must meet all applicable construction standards, zoning and  
27 subdivision requirements, and regulations of each municipality in

1 whose corporate limits or extraterritorial jurisdiction the road  
2 project is located.

3 (b) If a road project is not located in the corporate limits  
4 or extraterritorial jurisdiction of a municipality, the road  
5 project must meet all applicable construction standards,  
6 subdivision requirements, and regulations of each county in which  
7 the road project is located.

8 (c) If the state will maintain and operate the road, the  
9 Texas Transportation Commission must approve the plans and  
10 specifications of the road project.

11 *[[[Include the following version of Sections 8\_\_\_\_.103 and 8\_\_\_\_.104*  
12 *if the intent is that the district have more narrow road powers.]]]*

13 Sec. 8\_\_\_\_.103. AUTHORITY FOR ROAD PROJECTS. (a) Under  
14 Section 52, Article III, Texas Constitution, the district may  
15 design, acquire, construct, finance, issue bonds for, improve, and  
16 convey to this state, a county, or a municipality for operation and  
17 maintenance macadamized, graveled, or paved roads described by  
18 Section 54.234, Water Code, or improvements, including storm  
19 drainage, in aid of those roads.

20 (b) The district may exercise the powers provided by this  
21 section without submitting a petition to or obtaining approval from  
22 the commission as required by Section 54.234, Water Code.

23 Sec. 8\_\_\_\_.104. APPROVAL OF ROAD PROJECT. (a) The district  
24 may not undertake a road project authorized by Section 8\_\_\_\_.103  
25 unless:

26 (1) each municipality or county that will operate and  
27 maintain the road has approved the plans and specifications of the

1 road project, if a municipality or county will operate and maintain  
2 the road; or

3 (2) the Texas Transportation Commission has approved  
4 the plans and specifications of the road project, if the state will  
5 operate and maintain the road.

6 (b) Except as provided by Subsection (a), the district is  
7 not required to obtain approval from the Texas Transportation  
8 Commission to design, acquire, construct, finance, issue bonds for,  
9 improve, or convey a road project.

10 Sec. 8\_\_\_\_.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
11 OR RESOLUTION. The district shall comply with all applicable  
12 requirements of any ordinance or resolution that is adopted under  
13 Section 54.016 or 54.0165, Water Code, and that consents to the  
14 creation of the district or to the inclusion of land in the  
15 district.

16 *[[[Either the following version of Section 8\_\_\_\_.106 or the version*  
17 *of that section added by Section 4(b) of the bill takes effect*  
18 *depending on the results of the vote described by Section 4 of the*  
19 *bill. See Section 4 for more information.]]]*

20 Sec. 8\_\_\_\_.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
21 district may not exercise the power of eminent domain outside the  
22 district to acquire a site or easement for:

23 (1) a road project authorized by Section 8\_\_\_\_.103; or

24 (2) a recreational facility as defined by Section  
25 49.462, Water Code.

26 [Sections 8\_\_\_\_.107-8\_\_\_\_.150 reserved for expansion]

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SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8\_\_\_\_.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8\_\_\_\_.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8\_\_\_\_.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8\_\_\_\_.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8\_\_\_\_.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a

1 provision stating that the contract may be modified or amended by  
2 the board without further voter approval.

3 [Sections 8\_\_\_\_.154-8\_\_\_\_.200 reserved for expansion]

4 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

5 Sec. 8\_\_\_\_.201. AUTHORITY TO ISSUE BONDS AND OTHER  
6 OBLIGATIONS. The district may issue bonds or other obligations  
7 payable wholly or partly from ad valorem taxes, impact fees,  
8 revenue, contract payments, grants, or other district money, or any  
9 combination of those sources, to pay for any authorized district  
10 purpose.

11 Sec. 8\_\_\_\_.202. TAXES FOR BONDS. At the time the district  
12 issues bonds payable wholly or partly from ad valorem taxes, the  
13 board shall provide for the annual imposition of a continuing  
14 direct ad valorem tax, without limit as to rate or amount, while all  
15 or part of the bonds are outstanding as required and in the manner  
16 provided by Sections 54.601 and 54.602, Water Code.

17 Sec. 8\_\_\_\_.203. BONDS FOR ROAD PROJECTS. At the time of  
18 issuance, the total principal amount of bonds or other obligations  
19 issued or incurred to finance road projects and payable from ad  
20 valorem taxes may not exceed one-fourth of the assessed value of the  
21 real property in the district.

22 SECTION 2. The \_\_\_\_\_ Municipal Utility District  
23 \_\_\_\_\_ initially includes all the territory contained in the  
24 following area: [[[Insert the metes and bounds description of the  
25 district's territory.]]]

26 SECTION 3. (a) The legal notice of the intention to  
27 introduce this Act, setting forth the general substance of this



1 Act, has been published as provided by law, and the notice and a  
2 copy of this Act have been furnished to all persons, agencies,  
3 officials, or entities to which they are required to be furnished  
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5 Government Code.

6 (b) The governor, one of the required recipients, has  
7 submitted the notice and Act to the Texas Commission on  
8 Environmental Quality.

9 (c) The Texas Commission on Environmental Quality has filed  
10 its recommendations relating to this Act with the governor, the  
11 lieutenant governor, and the speaker of the house of  
12 representatives within the required time.

13 (d) All requirements of the constitution and laws of this  
14 state and the rules and procedures of the legislature with respect  
15 to the notice, introduction, and passage of this Act are fulfilled  
16 and accomplished.

17 SECTION 4. (a) Section 8\_\_\_\_.106, Special District Local  
18 Laws Code, as added by Section 1 of this Act, takes effect only if  
19 this Act receives a two-thirds vote of all the members elected to  
20 each house.

21 (b) If this Act does not receive a two-thirds vote of all the  
22 members elected to each house, Subchapter C, Chapter 8\_\_\_\_, Special  
23 District Local Laws Code, as added by Section 1 of this Act, is  
24 amended by adding Section 8\_\_\_\_.106 to read as follows:

25 Sec. 8\_\_\_\_.106. NO EMINENT DOMAIN POWER. The district may  
26 not exercise the power of eminent domain.

27 (c) This section is not intended to be an expression of a

1 legislative interpretation of the requirements of Section 17(c),  
2 Article I, Texas Constitution.

3           [[[*Include either of the following provisions depending on*  
4 *whether the bill is intended to take effect September 1, 2011, or*  
5 *immediately.*]]]

6           SECTION 5. Except as provided by Section 4 of this Act, this  
7 Act takes effect September 1, 2011.

8           SECTION 5. Except as provided by Section 4 of this Act:

9                   (1) this Act takes effect immediately if it receives a  
10 vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution; and

12                   (2) if this Act does not receive the vote necessary for  
13 immediate effect, this Act takes effect September 1, 2011.

**ADDITIONAL INTERGOVERNMENTAL RELATIONS COMMITTEE HEARING  
REQUEST FORM FOR SPECIAL DISTRICT LEGISLATION**

FILL OUT THE APPROPRIATE SECTION BELOW:

**A. MUNICIPAL UTILITY DISTRICTS (MUDs)**

\_\_\_\_\_ This bill creates a municipal utility district (MUD) operating pursuant to Chapters 49 and 54, Water Code. *Please fill out Section B, Sections C or D (as appropriate), and Sections E and F below.*

OR

\_\_\_\_\_ This bill proposes to modify or change an existing municipal utility district (MUD). Provide description of changes.

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**B. MUD TEMPLATE**

\_\_\_\_\_ This district is being created using language from the MUD Template. *(Please use language approved by the Senate IGR Committee on file with the Texas Legislative Council.)*

**C. IF PROPOSED DISTRICT IS PARTIALLY OR ENTIRELY WITHIN THE CORPORATE LIMITS OR EXTRATERRITORIAL JURISDICTION (ETJ) OF A CITY:**

- This bill DOES / DOES NOT (*circle one*) have the support of all the municipal governments within the boundaries, which the proposed district is to be located? *(If available, attach resolutions or letters of support from municipal officials.)*
- This bill DOES / DOES NOT (*circle one*) provide that consent from all municipal governments within the boundaries which the proposed district is to be located *(Must be obtained before the creation of the district can be confirmed and such consent is expected to be obtained following passage of this bill.)*

**D. IF PROPOSED DISTRICT CONTAINS ANY AREA WHICH IS NEITHER IN THE CORPORATE LIMITS OR EXTRATERRITORIAL JURISDICTION (ETJ) OF A CITY:**

- This bill DOES / DOES NOT (*circle one*) have the support of the county or counties within the boundaries which the proposed district is to be located? *(Attach resolutions or letters of support from county officials. Please provide letter of support from the county commissioner whose precinct the proposed district will be located.)*

**E. THIS DISTRICT DOES / DOES NOT (*circle one*) REQUEST THE AUTHORITY TO DIVIDE.**

**F. THIS DISTRICT IS APPROXIMATELY \_\_\_\_\_ ACRES.**

## **Appendix C**

## **Requirements for Cities that Maintain a Web site**

### **Code of Criminal Procedure Art. 62.045**

### **Voluntary Posting of Sex Offenders**

Cities may establish local Web site containing information on high risk sex offenders required to register with a local law enforcement authority.

### **Government Code § 551.128**

### **Broadcasting Open Meetings over the Internet**

Cities that choose to broadcast open meetings over the Internet must post a 72-hour open meetings notice on the municipality's Web site.

### **Open Meetings Act § 551.056**

### **Open Meeting Internet Posting**

Requires: (1) a city or an economic development corporation that maintains an Internet Web site to post meeting notices on its Web site; and (2) a city with a population of 48,000 or more, or an economic development corporation in a city with a population of 48,000 or more, to post the agenda on its Web site. The bill also provides that technical problems beyond the control of a city or economic development corporation will not affect the validity of a posted notice or agenda made in good faith.

### **Local Government Code § 43.052**

### **Annexation Plan**

A city that has an Internet Web site must post the annexation plan and maintain the posting of the annexation plan with amendments and changes on its Internet Web site.

### **Local Government Code § 43.0561 & § 43.063**

### **Annexation Hearings**

A city must post notice of annexation hearings on the city's Internet Web site if the city has an Internet Web site. The notice for each hearing must be posted on the site on or after the 20th day but before the 10th day before the date of the hearing and must remain posted until the date of the hearing.

### **Local Government Code Ch. 176**

### **Conflicts Disclosure**

Chapter 176 requires that mayors, councilmembers, city managers or administrators, and certain other city officials must file a "conflicts disclosure statement" with a city's records administrator (usually the city secretary) within seven days of becoming aware of either of the following situations:

- A city officer or the officer's family member has an employment or business relationship that results in taxable income that exceeds \$2,500 in the previous twelve months with a person who has contracted with the city or with whom the city is considering doing business.

- A city officer or the officer's family member receives and accepts one or more gifts with an aggregate value of \$250 in the preceding 12 months from a person who conducts business or is being considered for business with the officer's city.

The bill also requires a vendor that wishes to conduct business or be considered for business with a city, and that has a reportable conflict, to file a "conflict of interest questionnaire." The conflicts disclosure statement (FORM CIS) and the conflict of interest questionnaire (FORM CIQ) were created by the Texas Ethics Commission (TEC) and are available online at [www.ethics.state.tx.us](http://www.ethics.state.tx.us). Completed forms must be filed on a city's Internet Web site.

**Tax Code § 26.065**

**Property Tax Hearings**

If the taxing unit owns, operates, or controls an Internet Web site, the unit shall post notice of the public hearing on the Web site continuously for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

If the taxing unit has free access to a television channel, the taxing unit shall request that the station carry a 60-second notice of the public hearing at least five times a day between the hours of 7 a.m. and 9 p.m. for at least seven days immediately before the public hearing on the proposed tax rate increase and at least seven days immediately before the date of the vote proposing the increase in the tax rate.

**Local Government Code § 102.005**

**Budget**

Requires a city that operates an Internet Web site to post its budget on that Web site.



# TEXAS ASSOCIATION *of* COUNTIES

## COUNTY WEBSITE POSTING REQUIREMENTS

Set forth below is a list of the county Web site posting requirements of which the Texas Association of Counties is presently aware. Also included are citations to the statutes that contain these requirements and a summary of each requirement. *TAC hopes this information is helpful to counties, but it does not constitute legal advice.* Counties should review all of the statutes and consult with a county attorney or other counsel with any questions about the requirements.

1. Proposed County Budget:

Local Government Code 111.006 (b) (counties with population under 225,000); Local Government Code 111.037 (counties with population over 225,000)

If the county maintains an Internet website, the county clerk shall take action to ensure that the proposed budget is posted on the website.

2. Final Approved Budget:

Local Government Code 111.009 (b) (population under 225,000); Local Government Code 111.040 (population over 225,000)

If the county maintains a website, the governmental body shall take action to ensure that a copy of budget is posted on the website.

3. County Treasurer's Report:

Local Government Code 114.026 (d)

The affidavits of the members of the commissioners court certifying compliance with Section 114.026(c) must be posted on the county website if the county has one at the end of each monthly term.

4. Conflicts Disclosure Documents:

Local Government Code 176.009

A local governmental entity that maintains an Internet website shall provide access to the statements and questionnaires filed pursuant to Chapter 176

5. Report of Political Expenditures:  
Local Government Code 176.009; Election Code Chapter 254

For counties over 800,000 and cities over 500,000, post on the internet the reports of political contributions and expenditures filed under Election Code Chapter 254 by members of governing body.

6. Tax Rate Increase:  
Tax Code 26.05 (b)

If a governing body proposes to adopt a tax rate higher than the effective tax rate, and if the entity has a website, it must post on the website notice that the entity intends to raise more taxes than last year, and state approximately how much the taxes on a \$100,000.00 home will increase.

7. Hearing on Tax Increase:  
Tax Code 26.06 (c)

This section requires published notice for the hearings necessary to increase a tax rate. Each notice that must be published must also be posted on the entity's Internet website, if it has one.

8. Supplemental Notice on Tax Increase:  
Tax Code 26.065

This section, in addition to other posting requirements, requires notices of hearing regarding any hearing be posted on the Internet website, if any, at least 7 days prior to the hearing.

9. Notice of Open Meeting:  
Gov't Code 551.056

Notice of a commissioners court meeting must be posted on the website, in addition to normal physical posting. Municipalities over 48,000 and counties over 65,000 must also post the agenda.

10. Utility Bills of Government Entities:  
Gov't Code 2264.001

A governmental entity shall record in an electronic repository the amount of electricity, water, or natural gas consumed and the aggregate costs for those utility services. The governmental entity shall report the recorded information on a publicly accessible Internet website with an interface designed for ease of navigation if available, or at another publicly accessible location.



11. Juvenile Court Information:  
Family Code § 58.352.

In counties with a population over 600,000, not later than the 10<sup>th</sup> day of each quarter, the juvenile judge must post on the county's website information about the number of children committed to a correctional facility, the offenses for which they were committed and their age, race and gender. No information should be posted that allows an individual child to be identified.






12. Property Owner's Bill of Rights:  
Property Code 21.0112

Before negotiating with a property owner prior to exercising eminent domain, governmental entity must provide property owner(s) with Property Owner's Bill of Rights as contained in Government Code 402.031, and must post on the entity's website if feasible.



## **Appendix C-1**

# Transparency Survey

**1. 1. Who manages the Web content on your Web site? (check all that apply)**

		Response Percent	Response Count
Internal IT department		65.1%	168
Internal non-IT staff trained to perform the task		31.8%	82
Outside contractor hired to manage the information		4.7%	12
Web host that also contracts to manage Web content		2.3%	6
Other (please specify)		10.5%	27
<i>answered question</i>			<b>258</b>
<i>skipped question</i>			<b>2</b>

**2. 2. Do you currently post your budget on your Web site? (If YES, skip to Question #4)**

		Response Percent	Response Count
Yes		87.2%	225
No		12.8%	33
<i>answered question</i>			<b>258</b>
<i>skipped question</i>			<b>2</b>





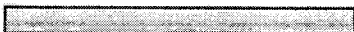

**3. 3. If not, what are the reasons for not posting your budget on your Web site? (check all that apply)**

		Response Percent	Response Count
Lack staff trained to manage Web content	<input type="checkbox"/>	11.1%	4
Do not have the financial resources	<input type="checkbox"/>	2.8%	1
<b>Do not have the staffing resources to manage the additional work</b>	<input checked="" type="checkbox"/>	<b>52.8%</b>	<b>19</b>
Software limitations	<input type="checkbox"/>	11.1%	4
Not mandated by statute	<input type="checkbox"/>	44.4%	16
Other (please specify)	<input type="checkbox"/>	13.9%	5
<b>answered question</b>			<b>36</b>
<b>skipped question</b>			<b>224</b>



**4. 4. Do you currently post your financial report on your Web site? (If YES, skip to Question #6)**

		Response Percent	Response Count
Yes	<input checked="" type="checkbox"/>	56.6%	146
No	<input type="checkbox"/>	43.4%	112
<b>answered question</b>			<b>258</b>
<b>skipped question</b>			<b>2</b>

**5. 5. If not, what are the reasons for not posting your financial report on your Web site? (check all that apply)**

		Response Percent	Response Count
Lack staff trained to manage Web content		8.0%	9
Do not have the financial resources		8.0%	9
Do not have the staffing resources to manage the additional work		38.4%	43
Software limitations		10.7%	12
Not mandated by statute		56.3%	63
Other (please specify)		13.4%	15
<i>answered question</i>			112
<i>skipped question</i>			148

**6. 6. Do you currently post any form of your check register on your Web site? (If YES, skip to Question #8)**

		Response Percent	Response Count
Yes		42.2%	109
No		57.8%	149
<i>answered question</i>			258
<i>skipped question</i>			2

**7. 7. If not, what are the reasons for not posting a check register on your Web site? (check all that apply)**

		Response Percent	Response Count
Lack staff trained to manage Web content	<input type="checkbox"/>	10.0%	15
Do not have the financial resources	<input type="checkbox"/>	12.0%	18
Do not have the staffing resources to manage the additional work	<input type="checkbox"/>	44.0%	66
Software limitations	<input type="checkbox"/>	13.3%	20
Confidentiality concerns	<input type="checkbox"/>	23.3%	35
<b>Not mandated by statute</b>	<input type="checkbox"/>	<b>52.0%</b>	<b>78</b>
Other (please specify)	<input type="checkbox"/>	14.0%	21
<i>answered question</i>			<b>150</b>
<i>skipped question</i>			<b>110</b>







**8. 8. Please identify the accounting software used by your financial department.**

		Response Percent	Response Count
Quicken	<input type="checkbox"/>	0.8%	2
Incode	<input type="checkbox"/>	0.8%	2
SunGuard	<input type="checkbox"/>	5.1%	13
COGNOS	<input type="checkbox"/>	0.8%	2
Other (please specify)	<input type="checkbox"/>	94.1%	239
<i>answered question</i>			<b>254</b>
<i>skipped question</i>			<b>6</b>

**9. 9. Which resources listed below would be useful to you in relation to posting financial documents on your Web site? (check all that apply)**

		<b>Response Percent</b>	<b>Response Count</b>
<b>A template that provides a framework for publishing Web documents</b>	<input checked="" type="checkbox"/>	68.4%	162
A list of software options other governmental entities use to put financial information on the Web	<input type="checkbox"/>	24.1%	57
A Webinar with tips and steps on posting financial documents online	<input type="checkbox"/>	27.4%	65
A workshop with tips and steps on Web publishing to include posting financial documents online	<input type="checkbox"/>	28.3%	67
Other (please specify)	<input type="checkbox"/>	18.6%	44
<b>answered question</b>			<b>237</b>
<b>skipped question</b>			<b>23</b>

**10. 10a. From the list of potential benefits below, please identify which ones appeal to you regarding posting financial information on your Web site. (check all that apply)**

		<b>Response Percent</b>	<b>Response Count</b>
Free staff time by reducing the number of calls, requests and e-mails received for financial information		25.0%	63
Save money by reducing paper and postage expenditures related to providing financial information		29.4%	74
Provide better customer service with financial information online 24 hours a day, 7 days a week		38.1%	96
Increase public confidence in financial transactions		64.7%	163
<b>Comply with potential statutory changes that may be imposed by legislation</b>		<b>66.7%</b>	<b>168</b>
Other (please specify)		7.5%	19
<b>answered question</b>			<b>252</b>
<b>skipped question</b>			<b>8</b>



**11. 10b. From the list of potential benefits below, please rank the order of importance to you with 1 being most important to you and 6 being the least important.**

	1	2	3	4	5	6	Response Count
Free staff time by reducing the number of calls, requests and e-mails received for financial information	9.3% (18)	11.3% (22)	15.5% (30)	19.6% (38)	<b>30.9%</b> (60)	13.4% (26)	194
Save money by reducing paper and postage expenditures related to providing financial information	4.4% (9)	10.3% (21)	19.6% (40)	<b>34.3%</b> (70)	24.5% (50)	6.9% (14)	204
Provide better customer service with financial information online 24 hours a day, 7 days a week	13.1% (27)	21.4% (44)	<b>30.1%</b> (62)	20.4% (42)	10.7% (22)	4.4% (9)	206
Increase public confidence in financial transactions	31.9% (69)	<b>33.3%</b> (72)	13.4% (29)	8.3% (18)	8.3% (18)	4.6% (10)	216
Comply with potential statutory changes that may be imposed by legislation	<b>38.1%</b> (90)	22.5% (53)	16.5% (39)	6.8% (16)	11.4% (27)	4.7% (11)	236
Other (as specified in 10a)	14.1% (10)	2.8% (2)	2.8% (2)	2.8% (2)	7.0% (5)	<b>70.4%</b> (50)	71
						<i>answered question</i>	<b>248</b>
						<i>skipped question</i>	<b>12</b>

**12. 11. Please add any comments you would like to make regarding transparent financial reporting on the Web.**

	Response Count
	50
<i>answered question</i>	<b>50</b>
<i>skipped question</i>	<b>210</b>

**13. 12. Please provide the public Web address for your government entity:**

**Response  
Count**

162

*answered question* 162

*skipped question* 98

**14. 13. Would you like someone from the state Comptroller's office to contact you to assist with transparency? (If yes, please provide contact information.)**

**Response  
Percent      Response  
Count**

Yes

8.4%      21

No

91.6%      230

Contact Information: 36

*answered question* 251

*skipped question* 9

## **Appendix D**

## AFFIDAVIT OF HEIRSHIP

**THIS AFFIDAVIT MUST BE FILED  
IN THE COUNTY CLERK'S RECORD.**

Reported owner name: _____	Claim number: _____
----------------------------	---------------------

This Affidavit must be completed by a third disinterested party (Affiant) who will not benefit from the decedent's estate. Do not complete this form if the decedent left a will that was probated in court or there has been some other type of court determination to the estate.

Affidavit of facts concerning the identity of Heirs for the Estate of: \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared: \_\_\_\_\_ ("Affiant") who, being first duly sworn, upon his/her oath states:

1. My name is: \_\_\_\_\_.

I live at: \_\_\_\_\_

I am personally familiar with the family and marital history of: \_\_\_\_\_ (Decedent), and I have personal knowledge of the facts stated in this Affidavit.

2. I knew the decedent from \_\_\_\_\_ until \_\_\_\_\_ Decedent died on \_\_\_\_\_.

Decedent's place of death: \_\_\_\_\_

At the time of decedent's death, CITY STATE COUNTY

decedent's residence was: \_\_\_\_\_

CITY STATE COUNTY

3. Provide the following information on the deceased's marital history:  
(If never married, please state that below.)

NAME OF SPOUSE	DATE OF MARRIAGE	DATE OF DIVORCE	DATE OF SPOUSE'S DEATH

4. Provide the following information on the deceased's natural born and adopted children:  
(If there are none, please state that below. If additional space is needed, please provide information as an attachment.)

NAME OF CHILD/ CURRENT ADDRESS	DATE OF BIRTH	NAME OF CHILD'S OTHER PARENT	DATE OF CHILD'S DEATH

5. Provide the following information on the deceased's grandchildren, born only to the deceased children in Item 4, above:  
(If there are none, please state that below.)

NAME OF CHILD/ CURRENT ADDRESS	DATE OF BIRTH	NAME OF GRANDCHILD'S DECEASED PARENT

6. If the decedent never married and did not have any children, provide the following information on the deceased's parents:

DECEASED'S PARENTS	PARENT'S NAME/ CURRENT ADDRESS	PARENT'S DATE OF DEATH
<b>MOTHER</b>		
<b>FATHER</b>		

Reported owner name:	Claim number:
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7. Provide the following information on the deceased's brothers and/or sisters:  
*(If there are none, please state that below.)*

NAME OF CHILD/ CURRENT ADDRESS	DATE OF BIRTH	BROTHER'S OR SISTER'S DATE OF DEATH
-----		
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-----		

8. Provide the following information on the deceased's nieces and/or nephews born only to the deceased brothers/sisters in Item 7, above:  
*(If there are none, please state that below. If additional space is needed, please provide information as an attachment.)*

NAME OF NIECE OR NEPHEW/ CURRENT ADDRESS	DATE OF BIRTH	NAME OF NIECE OR NEPHEW'S DECEASED PARENT
-----		
-----		
-----		

Signed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 (SIGNATURE OF AFFIANT)

State of \_\_\_\_\_

County of \_\_\_\_\_

Sworn to and subscribed to before me on \_\_\_\_\_  
 (DATE)

by \_\_\_\_\_  
 (NAME OF AFFIANT)

\_\_\_\_\_  
 (NOTARY SIGNATURE)

(Notary Seal)

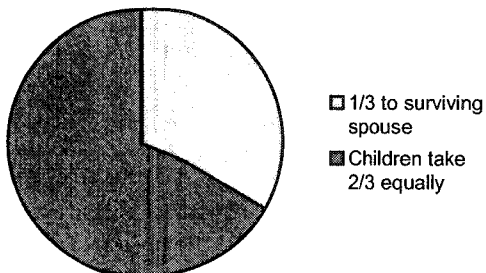
My commission expires: \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

# Texas Descent and Distribution<sup>1</sup>

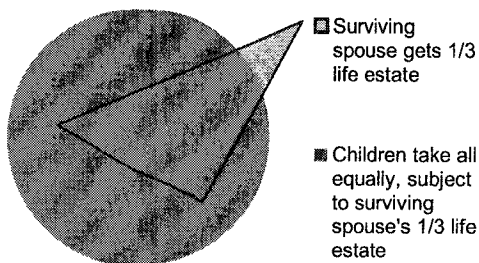
The Legal Effect of Not Having a Will (for decedents dying after 9/1/1993)

## 1. Married Person with Child[ren] or Other Descendants

### A. Decedent's separate personal property (all that is not real property) (TPC § 38(b)(1))



### B. Decedent's separate real property (TPC § 38(b)(1))



All separate real property will be owned outright by decedent's child[ren] or other descendants when surviving spouse dies.

**C. Decedent's share of community property** when all surviving children and descendants of deceased are also children or descendants of surviving spouse. (TPC § 45(a)(2))

A pie chart that is entirely shaded with a dark stippled pattern.

- All to surviving spouse

**C. Decedent's share of community property** when there are children or other descendants from outside of the existing marriage on the date of decedent's death (or if decedent died before September 1, 1993) (TPC § 45(b))

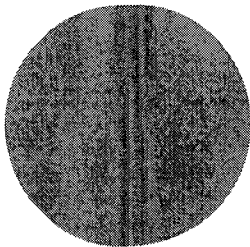
A pie chart divided into two sections. One section, representing 1/3, is shaded with a dark stippled pattern. The remaining 2/3 is shaded with a lighter stippled pattern.

- All to children, who take equally
- Surviving spouse takes none, but retains own share

<sup>1</sup> The charts in this handout illustrate the general rules of descent and distribution under Texas law. In addition to the statutory references noted throughout, see § 43 of the Texas Probate Code, Determination of Per Capita and Per Stirpes Distribution, as well as the following sections: § 40, Inheritance By and From an Adopted Child; § 41, Matters Affecting and Not Affecting the Right to Inherit; § 42, Inheritance Rights of Children; § 44, Advancements; and § 47, Requirement of Survival by 120 Hours.

## 2. Married Person with No Child or Descendant

### A. Decedent's separate personal property (all that is not real property) (TPC § 38(b)(1))

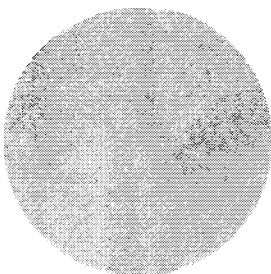


■ All to surviving spouse

### B. Decedent's separate real property (TPC § 38(b)(2))

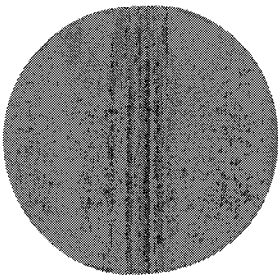
<p>If decedent is survived by <b>both</b> mother and father. TPC § 38(b)(2) &amp; (a)(2).</p> <ul style="list-style-type: none"> <li>□ 1/4 to father</li> <li>□ 1/4 to mother</li> <li>■ 1/2 to surviving spouse</li> </ul>	<p>If decedent is survived (1) by mother <b>or</b> father <b>and</b> (2) by sibling(s) or their descendants. TPC § 38(b)(2) &amp; (a)(2).</p> <ul style="list-style-type: none"> <li>□ 1/4 to surviving parent</li> <li>■ 1/4 to siblings, etc.</li> <li>■ 1/2 to surviving spouse</li> </ul>	<p>If decedent is survived by mother <b>or</b> father, <b>but is not</b> survived by any sibling(s) or their descendants. TPC § 38(b)(2) &amp; (a)(2).</p> <ul style="list-style-type: none"> <li>□ 1/2 to surviving parent</li> <li>■ 1/2 to surviving spouse</li> </ul>
<p>If decedent is survived by neither parent, but <b>is</b> survived by sibling(s) or their descendants. TPC § 38(b)(2) &amp; (a)(3).</p> <ul style="list-style-type: none"> <li>■ 1/2 to siblings, etc.</li> <li>■ 1/2 to surviving spouse</li> </ul>	<p>If decedent is survived by no parent, no sibling, and no descendant of a sibling. TPC § 38(b)(2).</p> <ul style="list-style-type: none"> <li>■ All to surviving spouse</li> </ul>	

### C. Decedent's share of community property (TPC § 45(a)(1))



■ All to surviving spouse

**3. Unmarried Person with Child[ren] or Other Descendants** (TPC § 38(a)(1))



■ All to children, who take equally

**4. Unmarried Person with No Child or Descendant**

All property passes depending on who survived the decedent:<sup>1</sup>

<p>TPC § 38(a)(2). If decedent is survived by <b>both</b> mother and father.</p> <ul style="list-style-type: none"> <li>■ 1/2 of all property to father</li> <li>■ 1/2 of all property to mother</li> </ul>	<p>TPC § 38(a)(2). If decedent is survived (1) by mother <b>or</b> father <b>and</b> (2) by sibling(s) or their descendants.</p> <ul style="list-style-type: none"> <li>■ 1/2 to siblings or to descendants of deceased siblings</li> <li>■ 1/2 to surviving parent</li> </ul>
<p>TPC § 38(a)(2). If decedent is survived by mother <b>or</b> father, <b>but is not</b> survived by any sibling(s) or their descendants.</p> <ul style="list-style-type: none"> <li>■ All to surviving parent</li> </ul>	<p>TPC § 38(a)(3). If decedent is survived by neither parent, but <b>is</b> survived by sibling(s) or their descendants.</p> <ul style="list-style-type: none"> <li>■ All to siblings or to descendants of deceased siblings</li> </ul>

<sup>1</sup> If none of the four situations above applies, see TPC § 38(a)(4).



## **DETERMINING HOMEOWNERSHIP FOR DISASTER RECOVERY APPLICATIONS**

### **APPLICANTS ARE ENTITLED TO ALTERNATIVE METHODS TO PROVE HOME OWNERSHIP TO RECEIVE DISASTER RECOVERY FUNDING**

The 81<sup>st</sup> Texas Legislature recognized that in many cases the only thing standing between using dedicated governmental disaster recovery funds to repair or replace the home of someone impacted by damage caused by a hurricane or other disaster was being able to demonstrate that the person had a valid deed to provide clear and uncontested proof of home ownership at the time of the disaster to meet the home ownership standards in place under traditional methods.

The preferred method of proving home ownership is still a valid deed filed in the county records. Having this recorded instrument may speed up the process, but the legislature provided alternative methods that prove home ownership for purposes of qualifying for disaster recovery benefits. New state law (Texas Government Code §2306.188) allows alternatives to a valid deed to prove you owned the home you lived in at the time of the declared disaster. This means that now, even without a valid deed at the time of the disaster, you could be eligible for disaster recovery funds to repair or replace your home.

There are many reasons that there may not be a valid deed in place, even though you are the sole owner, or have an ownership interest in the property sufficient to qualify for disaster recovery funds. The most common issue in disaster recovery areas is that a home has been passed down from family-member-to-family-member upon the death of a relative. Often times these transfers occur without a will or even if a will exists, all the documentation is not completed to provide a deed in the name of the person who ultimately receives the property. There are other causes of course, like gifts of property, marriage dissolutions, and others too numerous to list here.

The disaster recovery programs have a *preference* for a valid deed of trust or warranty deed on file with the appropriate County Clerk in the property records and will ask for that document first in most cases. If you have one, provide a copy of that document.

Texas Department of Housing and Community Affairs has established an affidavit process where you may under oath satisfy the ownership requirement by stating that you are the only owner of the property or that anyone else with an ownership interest has approved of your application for disaster funds. This is a government document and you must be honest when you sign the document and provide one of the following in addition to the affidavit:

- Proof you paid taxes on the property at the time of the storm
- Proof you had the home insured at the time of the storm
- Proof that you were the person responsible for payment of utility bills at that residence at the time of the storm

While the state has made it easier to prove ownership for purposes of qualifying for disaster recovery funds, the affidavit is a government document and failure to be truthful on this form could lead to criminal prosecution and/or the potential repayment of the disaster recovery funds.

**This method of proof of ownership is only valid for qualifying for disaster recovery funds.**

## Affidavit of Ownership Form INSTRUCTIONS

### Purpose

The purpose of the Affidavit is to provide options for applicants to document ownership of a home that may be assisted with TDHCA Disaster Recovery Program funds. The preferred method of proving homeownership is still to provide traditional proof of title (a copy of a valid deed of trust or warranty deed recorded in the county records); however, if the traditional method is not available, the State Legislature has provided alternatives.

### BLOCK 1: Owner/Co-Owner Information

If you own the home to be listed in this box, please print your name here. If there is a co-owner or co-owners, list them as well. Please also print the address of the home to be repaired or rebuilt due to damage from the natural disaster.

### BLOCK 2: Statement of Facts

If your name is listed on the deed of the home to be assisted and that deed was recorded in the county records at the time of the disaster, you are not required to fill out the Affidavit or have it notarized – simply provide a copy of your deed.

If your name is not listed on the deed of the home you may still qualify for assistance as the “successor in interest.” This means that the home has passed to you, but for certain reasons the traditional legal steps to transfer ownership have not been taken. For the purposes of participating in this program, and only this program, you may still be able to prove that this is your home by providing alternative documentation (see examples below) AND by swearing that either:

- a) there is nobody else that has the right to claim ownership;
- OR
- b) anyone who has a right to claim ownership has agreed to participate in the program or could not be located (after trying) to ask.

The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference): tax receipts, home insurance, utility bills or other documentation deemed to be acceptable by TDHCA. The documentation must show that you were the person responsible for paying for these items at the time of the disaster.

### BLOCK 3: Signatures

Before you can sign the Affidavit you **MUST** be sure that what you are signing is **TRUE**. Signing an untrue Affidavit can put you at risk of criminal penalties.

Do not sign the form without a Notary present. Please take the completed but unsigned form to a Notary Public (that is authorized by the State of Texas and whose commission has not expired) and sign the form on the spaces provided in front of the Notary. The Notary then signs and stamps to form to attest that you swore to be honest and that you are the person who signed the form.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**Affidavit of Ownership  
(Sworn Statement)**

**BLOCK 1: Owner/Co-Owner Information**

Owner: \_\_\_\_\_ Co-Owner: \_\_\_\_\_

Owner/Co-Owner Address: \_\_\_\_\_

**BLOCK 2: Statement of Facts**

I/We \_\_\_\_\_, being first duly sworn, do affirm the facts presented herein are true and complete:

- A) There is no other person entitled to claim any ownership interest in the property;
- or
- B) Each person who may be entitled to claim an ownership interest in the property has given consent to the application or was not located after a reasonable effort.

**BLOCK 3: Signatures (Notarization is REQUIRED)**

Under penalties of perjury, I/We certify that the information presented in this Affidavit is true and accurate to the best of my/our knowledge and belief. I/We further understand that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in my/our ineligibility to participate in Programs that will accept this affidavit in accordance with Government Code, Chapter 2306.

\_\_\_\_\_  
Owner Signature

\_\_\_\_\_  
Co-Owner Signature

Before me personally appeared the person(s) whose signature(s) appear above, who by being sworn, upon oath say that the statements set forth hereinabove are true and correct. Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
(Name of Notary)

\_\_\_\_\_  
(Notary Public)

SEAL

\_\_\_\_\_  
(Commission Expires)  
Notary Public State of Texas

## **Appendix D-1**

# Adverse Possession Between Co-tenants in Other Jurisdictions

Christopher Kirk & Epiphany Marquez, Clinic Students

UT Law Community Development Clinic

### **Question Presented**

Texas Appleseed has asked the Clinic to research adverse possession between co-tenants in other jurisdictions. In particular, Texas Appleseed would like to know if adverse possession can be asserted in these other jurisdictions by an heir co-tenant against another heir co-tenant when the former has been in long-term possession and solely responsible for the co-owned property. If so, Texas Appleseed would like to know under what circumstances this can be done in these other states. Texas Appleseed would like to use this research to help develop similar legislation in Texas and to pinpoint future potential problems in the proposed amendments to the Texas adverse possession statutes.

The Clinic students have researched adverse possession between co-tenants in Mississippi, New York, North Carolina, and Tennessee. These states, through the courts or by statute, allow co-tenants to obtain full title by adverse possession through exclusive possession of the property or by other actions such as paying taxes, insurance, or maintenance costs. These cases were also cited in Professor Way's article on heirship property. At the suggestion of Texas Appleseed, the Clinic students also researched the states of Alabama, Georgia, and Louisiana because of the heirship policy reforms currently being discussed in those states.

As a quick refresher, the standard elements of adverse possession are possession that is: 1) actual, 2) open, 3) visible, 4) notorious, 5) continuous, 6) hostile, and 7) for the whole statutory term. Different jurisdictions often use different terms for these elements, and some jurisdictions have additional or substituted elements. For example, peaceful possession is required in some jurisdictions. And, in general, the common law presumes that a co-tenant in possession has possession for the benefit of all her co-tenants.

### **Adverse Possession Between Co-Tenants in Other Jurisdictions**

#### ***I. Alabama***

Alabama law does not allow for an adverse possession claim against co-tenant heirs based solely on possession and payment of taxes. Without color of title, adverse possession in Alabama requires 20 years of adverse possession. *Bohanon v. Edwards*, 970 So.2d 777, 781 (Ala. Civ. App. 2007). In order to prove hostility a co-tenant must show: 1) actual ouster, 2) that the adverse character of the possession was known to the other co-tenants, or 3) that the possession is so open and notorious in its hostility and exclusiveness as to put the other co-tenants on notice of its adverse character. *Id.* at 782. An ouster is what is required to overcome the common law presumption about the relationship between co-tenants. Therefore, Alabama allows an heir co-tenant in possession to bring an adverse possession action, but only if that person can show an ouster.

#### **Ouster: Example 1**

A lives on Blackacre. A has co-tenants B and C. A expressly tells B and C that she is possessing adversely to their interests in Blackacre. A's action constitutes an ouster because it is an express notice to the other co-tenants.

## ***II. Georgia***

Georgia law also does not allow for an adverse possession claim against co-tenant heirs based solely on possession and payment of taxes. Georgia statute requires a 10 year period to obtain title by adverse possession. Ga. Code Ann. § 44-5-163. Georgia statute requires that a co-tenant wishing to adversely possess against his co-tenants 1) effect an actual ouster, 2) retain exclusive possession after demand, or 3) give express notice to his co-tenants of the adverse possession. Ga. Code Ann. § 44-6-123 (West 2010). Therefore, while Georgia allows heir co-tenants in possession to bring an adverse possession action, it also requires an ouster.

## ***III. Louisiana***

Louisiana law does not allow for an adverse possession claim against co-tenant heirs based solely on possession and payment of taxes. Louisiana uses the term acquisitive prescription rather than adverse possession. Co-owners may acquire by prescription the entire property, under the Louisiana Civil Code,<sup>1</sup> when a co-owner possesses adversely to his co-owners for 30 years. Courts require the co-owner to demonstrate his or her intention by overt and unambiguous acts sufficient to give notice to the other co-owners. These acts must be clearly hostile, and they must be more than mere occupancy, payment of taxes, and other similar acts. Adverse possession is a question of fact for the jury.

## ***IV. Mississippi***

Mississippi also requires an ouster between co-tenants, but case law has recognized the concept of constructive ouster when the heir co-tenant was in possession for more than 10 years and the absentee co-tenants made no demand for rents, profits, or possession. Bayless v. Alexander, 245 So.2d 17 (Miss. 1971). In Bayless, the court allowed a widow in possession of the land to gain title through adverse possession because the court found an “equivalent of an ouster.” *Id.* This ruling followed from the court’s finding that the facts showed that the normal fiduciary and confidential aspects of the co-tenancy relationship were absent. *Id.* Therefore, the court found that the possession of one co-tenant was not for the benefit of each co-tenant. *Id.* In summary, in Mississippi, an heir co-tenant in possession may prove adverse possession action through mere possession after ten years, where the co-tenants have made no demand for rents, profits, or possession.

### Constructive Ouster: Example 1

A lives on Blackacre. A has co-tenants B and C. A has lived on Blackacre for the whole statutory term. B and C have not demanded possession, rent, or profits from A. A has shown a constructive ouster against B and C.

## ***V. New York***

New York statutes allow for a co-tenant to adversely possess against another co-tenant, by merely being in exclusive possession of the property for at least 20 years. New York’s adverse possession laws

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<sup>1</sup> La. C.C. Art. 3478 (2010).

are located in Section 541 of the New York State Real Property Actions and Proceedings Law. There are two ways for a co-tenant to acquire full title to the co-owned property through adverse possession. A co-tenant may acquire full title by adversely possessing the property for ten years, but the co-tenant must show ouster (as demonstrated above). New York courts recognize the existence of an implied ouster. An implied ouster is where the acts of the possessing co-tenant are so openly hostile to the other co-tenants that the other co-tenants can be presumed to know that one of the co-tenants is adversely possessing against them.

Absent ouster, a tenant in common must possess the property exclusively for two consecutive 10 year periods, for a total of 20 years, before acquiring full title by adverse possession. A co-tenant's exclusive possession can be considered adverse only after the co-tenant has been in exclusive possession for 10 years. After 10 years of exclusive possession, a co-tenant may begin to hold the property adversely to the other co-tenants. After this 20-year term, a co-tenant, under statute, has adversely possessed the property against the other co-tenants. Adverse possession is generally a fact question in New York to be decided by a jury.

#### ***VI. North Carolina***

Like other states, North Carolina requires an ouster to prove the adverse possession element of hostility. However, case law allows a constructive ouster to occur where the absentee co-tenants had made no demand for rents, profits, or possession from the co-tenant in possession for the statutory period of 20 years. Collier v. Welker, 199 S.E.2d 691 (N.C. App. 1973). A later case states that the purposes of constructive ouster are to prevent stale demands and to protect possessors from losing evidence. Ellis v. Poe, 326 S.E.2d 80 (N.C. App. 1985).

#### ***VII. Tennessee***

Tennessee case law has recognized an adverse possession claim based on exclusive and uninterrupted possession of land for at least 20 years. Tennessee requires a duration of adverse possession for seven years for someone claiming ownership under color of title and twenty years without color of title. The term "color of title" can be defined as a legal title, deed, will, inheritance in descent, or other means by which legal title may be passed to the claimant. Ouster by one tenant in common against his co-tenant may be used to bring an adverse possession claim, but something more than just an appropriation of rents, for example, must be shown. Co-tenants must give actual or constructive notice to show that one co-tenant is disavowing the interests of the other cotenants in the property.

In one case,<sup>2</sup> a tenant in common was not able to show actual notice of adversely possessing the property against the other co-tenants. The Court noted that there was not sufficient proof of ouster or any act that would amount to actual notice. The only proof offered was the exclusive and uninterrupted possession of the land for a period longer than twenty years with no accountability to the co-tenants. The court found this evidence was enough to prove notice. Adverse possession is a question of fact for the jury.

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<sup>2</sup> Eckhardt v. Eckhardt, 305 S.W.2d 346, 348 (Tenn. App. 1957).



Jurisdiction	When can heir co-tenant in possession use adverse possession?
Alabama	(1) Hostile acts sufficient to constitute an actual ouster.
Georgia	(1) Hostile acts sufficient to constitute an actual ouster.
Louisiana	(1) Possessing adversely for at least 30 years; and (2) Hostile, overt, unambiguous acts sufficient to give notice to the co-owners of one co-owner adversely possessing against the other co-owners. These acts must be more than mere occupancy, payment of taxes, and other similar acts.
Mississippi	(1) Possessing for the 10 year statutory term without demand from co-tenants for rents, profits, or possession; or (2) Hostile, overt acts sufficient to constitute an actual ouster.
New York	(1) Possessing adversely after a ten-year period but the co-tenant must show ouster or implied ouster. Ouster requires a co-tenant to expressly communicate to the other co-tenants of his or her intention to exclude or deny the rights of the other co-tenants. Implied ouster is where the acts of the possessing co-tenant are so openly hostile to the other co-tenants that the other co-tenants can be presumed to know that one co-tenant is adversely possessing against the others; or (2) 20 years of continuous exclusive possession.
North Carolina	(1) Possessing for the 20 year statutory term without demand from co-tenants for rents, profits, or possession; or (2) Hostile, overt acts sufficient to constitute an actual ouster.
Tennessee	(1) Exclusive and uninterrupted possession for 20 years; and (2) Actual or constructive notice to the other co-tenants that the possessing co-tenant is disavowing the interests of the other co-tenants in the property. Courts have held that exclusive and uninterrupted possession of the land for a period longer than twenty years with no accountability to the other co-tenants is enough to show constructive notice.

## **Appendix E**

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## Texas Case Law

***F.W.B. Rockett v. Texas State Board of Medical Examiners, 287 S.W.2d 190 (Tex. Civ. App.—San Antonio 1956, writ ref'd n.r.e.).***

The *Rockett* case was decided by the San Antonio Court of Appeals and was an appeal from a district court in Bexar County upholding an order of the Texas State Board of Medical Examiners canceling the license of Dr. Rockett to practice medicine in the State of Texas. Dr. Rockett was employed by a clinic known as the Thomas Clinic and received a monthly salary and no fees. The clinic was owned by Ralph C. Thomas who was not a medical doctor. No medical doctor owned any interest in the clinic. The Texas State Board of Medical Examiners had argued that Dr. Rockett's conduct "permitted another to use his license or certificate to practice medicine" which was prohibited by the Texas Medical Practice Act and was the grounds for forfeiture of his license. The Court of Appeals recognized that this was a question of first impression in Texas. The court upheld the judgment in the district court canceling the license of Dr. Rockett to practice medicine based upon his violation of the Medical Practice Act and allowing his license to be used by an unlicensed individual. The court recited what it referred to as an "abundance" of authorities from other jurisdictions upholding similar practice regulations. The court also quoted extensively from a Minnesota case which addressed the unauthorized practice of law. The *Rockett* case is significant in that it was the first expression by a Texas court upholding the prohibition on the corporate practice of medicine, and it gave little weight to contrary positions.

***Watt v. Texas State Board of Medical Examiners, 303 S.W.2d 884 (Tex. Civ. App.—Dallas 1957, writ ref'd n.r.e.).***

The *Watt* case was an appeal by Dr. Watt of a district court judgment from Dallas County upholding the action of the Texas State Board of Medical Examiners suspending his license for a period of 18 months. Like Dr. Rockett, Dr. Watt was charged with permitting or allowing another to use his license or certificate to practice medicine in the State of Texas. Dr. Watt worked at the Hoxsey Cancer Clinic reading X-rays. The clinic was owned by Harry Hoxsey who previously had been convicted of practicing medicine without a license in the State of Illinois. Dr. Watt was paid a salary from the Hoxsey Clinic for reading X-ray films, and he asserted that he was not associated in the practice of medicine with Harry Hoxsey and did not permit the Hoxsey Cancer Clinic to use his license or certificate to practice medicine in the State of Texas. However, the evidence revealed that Dr. Watt was employed by Harry Hoxsey, his salary was fixed by Harry Hoxsey, all patients were patients of the Hoxsey Clinic, the patients were billed by the Hoxsey Cancer Clinic and paid the Hoxsey Cancer Clinic, Harry Hoxsey would be present and vote in medical staff meetings, and Harry Hoxsey had the right to hire and fire all the physicians who worked at the clinic. The Dallas Court of Appeals ruled in favor of the Texas State Board of Medical Examiners and upheld the suspension of Dr. Watt.

***Garcia v. Texas State Board of Medical Examiners, 384 F. Supp. 434 (W.D. Texas 1974).***

It was almost 20 years after the *Watt* case before the Texas courts again addressed the prohibition of corporate practice issue. On Aug. 30, 1972, Articles of Incorporation for a non-profit corporation known as San Antonio Community Health Maintenance Association were prepared and submitted to the Texas Secretary of State to request a corporate charter. Genero Garcia was a principal in the association, whose purpose was to provide medical and health care programs to the "Mexican-American and Black communities and other low-income groups in Bexar County, Texas." The

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Secretary of State refused to grant a corporate charter because none of the incorporators were licensed to practice medicine in the State of Texas. Genero Garcia, as one of the plaintiffs, alleged that the failure of the Secretary of State to grant a corporate charter denied the plaintiffs equal protection and the right to assemble under the U.S. Constitution. The U.S. District Court held in favor of the Texas State Board of Medical Examiners and the Texas Secretary of State, finding that the Texas statutes did not deny the plaintiffs due process or equal protection. The court found that it was a legitimate exercise of its police power for the State of Texas to regulate the practice of medicine and provide for the general health and welfare of its citizens.

***Flynn Brothers, Inc. v. First Medical Associates*, 715 S.W.2d 782 (Tex. Civ. App.—Dallas 1986, writ ref'd n.r.e.).**

The most recent discussion on the prohibition on the corporate practice of medicine occurred more than 20 years ago in the *Flynn Brothers* case. In 1981, the Flynn Brothers approached St. Paul Hospital about contracting to staff its emergency department. The Flynn Brothers were not licensed physicians. The Flynn Brothers formed a partnership with Dr. Adcock, a licensed physician, and agreed to share profits and losses with him. The St. Paul contract was awarded to the Flynnns and Dr. Adcock. Soon thereafter, the parties realized that the contract likely would be invalid because the Flynn Brothers were not licensed to practice medicine. Therefore, Dr. Adcock formed a professional association which contracted with St. Paul to staff its emergency room and the Flynn Brothers formed a for-profit corporation which entered into an exclusive management agreement with Dr. Adcock's new corporation to manage the St. Paul contract. Under the management services agreement, the Flynn Brothers were to receive 67 percent of Dr. Adcock's professional association's net profits. Several years into the relationship, Dr. Adcock wished to sell his interest, negotiations reached an impasse, and a disagreement ultimately resulted in St. Paul terminating its contract with Dr. Adcock's professional association for emergency room staffing. This in turn caused the Dr. Adcock to bring a claim against the Flynn Brothers for breach of contract, breach of fiduciary duty and tortious interference, and a counterclaim by Flynn Brothers for breach of duty and tortious interference. The issue raised on appeal was whether or not the agreements made by the parties were illegal. If the contracts were illegal, the court would not enforce them.

The Court of Appeals found that the "whole contractual scheme was developed to indirectly do that which they freely conceived they could not do directly under the Medical Practices Act. The design, effect, and purpose of the management contract contravenes the Medical Practices Act and, therefore, would not be enforced by the courts of the state." The Court of Appeals refused to enforce the contract and dismissed the claims of the parties.

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### **Non-Physician Entities That Can Employ Physicians**

- Private nonprofit medical schools (e.g., Baylor College of Medicine) (TEX. OCC. CODE, Ch. 162, Subch. E)
- State institutions:
  - State academic medical centers (e.g., The University of Texas Medical Branch at Galveston; The University of Texas Southwestern Medical Center at Dallas; The University of Texas Medical School at San Antonio; Texas A&M Health Science Center; Texas Tech University Health Science Center)
  - State hospitals
  - Prisons
- School districts (Tex. Educ. Code 33.202, 38.016)
- Nonprofit health organizations certified by the Texas Medical Board (Tex. Occ. Code, Sec. 162.001(b))
- Federally qualified health centers (FQHCs) (Tex. Occ. Code, Sec. 162.001(c))
- Migrant, community or homeless health centers (Tex. Occ. Code, Sec. 162.001(d))
- Certain hospital districts
  - City of Amarillo Hospital District (Tex. Spec. Dist. Code, Sec. 1001.060)
  - Baylor County Hospital District (Tex. Spec. Dist. Code, Sec. 1005.063)
  - Burleson County Hospital District (Tex. Spec. Dist. Code, Sec. 1010.059)
  - Dallas County Hospital District (Tex. Health & Safety Code, Sec. 281.0282)
  - Frio Hospital District (Tex. Spec. Dist. Code, Sec. 1030.063)
  - Jackson County Hospital District (Tex. Spec. Dist. Code, Sec. 1046.062)
  - Matagorda County Hospital District (Tex. Spec. Dist. Code, Sec. 1057.057)
  - Martin County Hospital District (Chapter 674, Acts of the 60th Legislature, Regular Session 1967, as amended by Section 2, Ch. 1410, Acts of the 81<sup>st</sup> Leg., Reg. Sess., 2009),
  - Mitchell County Hospital District (Tex. Spec. Dist. Code, Sec. 1062.060)
  - Moore County Hospital District (Sec. 5, Ch. 287, Acts of the 61st Leg., Reg. Sess., 1969, as amended by Sec. 2, Ch. 1001, 80th Leg., Reg. Sess., 2007)
  - North Wheeler County Hospital District (Sec. 5, Ch. 260, Acts of the 58th Leg., Reg. Sess., 1963)
  - Travis County Healthcare District (Tex. Health & Safety Code, Sec. 281.0281)

## **Appendix F**

## AN ACT

1-1 relating to municipal annexation; providing penalties.

1-2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-3 SECTION 1. Subchapter B, Chapter 42, Local Government Code,  
1-4 is amended by adding Section 42.0225 to read as follows:

1-5 Sec. 42.0225. EXTRATERRITORIAL JURISDICTION AROUND CERTAIN  
1-6 MUNICIPALLY OWNED PROPERTY. (a) This section applies only to an  
1-7 area owned by a municipality that is:

1-8 (1) annexed by the municipality; and

1-9 (2) not contiguous to other territory of the  
1-10 municipality.

1-11 (b) Notwithstanding Section 42.021, the annexation of an  
1-12 area described by Subsection (a) does not expand the  
1-13 extraterritorial jurisdiction of the municipality.

1-14 SECTION 2. Subchapter A, Chapter 43, Local Government Code,  
1-15 is amended by adding Section 43.002 to read as follows:

1-16 Sec. 43.002. CONTINUATION OF LAND USE. (a) A municipality  
1-17 may not, after annexing an area, prohibit a person from:

1-18 (1) continuing to use land in the area in the manner  
1-19 in which the land was being used on the date the annexation  
1-20 proceedings were instituted if the land use was legal at that time;  
1-21 or

1-22 (2) beginning to use land in the area in the manner  
1-23 that was planned for the land before the 90th day before the  
1-24 effective date of the annexation if:

2-1 (A) one or more licenses, certificates, permits,  
2-2 approvals, or other forms of authorization by a governmental entity  
2-3 were required by law for the planned land use; and

2-4 (B) a completed application for the initial  
2-5 authorization was filed with the governmental entity before the  
2-6 date the annexation proceedings were instituted.

2-7 (b) For purposes of this section, a completed application is  
2-8 filed if the application includes all documents and other  
2-9 information designated as required by the governmental entity in a  
2-10 written notice to the applicant.

2-11 (c) This section does not prohibit a municipality from  
2-12 imposing:

2-13 (1) a regulation relating to the location of sexually  
2-14 oriented businesses, as that term is defined by Section 243.002;

2-15 (2) a municipal ordinance, regulation, or other  
2-16 requirement affecting colonias, as that term is defined by Section  
2-17 2306.581, Government Code;

2-18 (3) a regulation relating to preventing imminent  
2-19 destruction of property or injury to persons;

2-20 (4) a regulation relating to public nuisances;

2-21 (5) a regulation relating to flood control;

2-22 (6) a regulation relating to the storage and use of  
2-23 hazardous substances;

2-24 (7) a regulation relating to the sale and use of  
2-25 fireworks; or

2-26 (8) a regulation relating to the discharge of  
3-1 firearms.

3-2 SECTION 3. The heading to Subchapter C, Chapter 43, Local  
3-3 Government Code, is amended to read as follows:

3-4 SUBCHAPTER C. ANNEXATION PROCEDURE FOR AREAS ANNEXED  
3-5 UNDER MUNICIPAL ANNEXATION PLAN

3-6 SECTION 4. Sections 43.052 and 43.053, Local Government  
3-7 Code, are amended to read as follows:

3-8 Sec. 43.052. MUNICIPAL ANNEXATION PLAN REQUIRED. (a) In  
3-9 this section, "special district" means a municipal utility

3-10 district, water control and improvement district, or other district  
 3-11 created under Section 52, Article III, or Section 59, Article XVI,  
 3-12 Texas Constitution.

3-13 (b) A municipality may annex an area identified in the  
 3-14 annexation plan only as provided by this section.

3-15 (c) A municipality shall prepare an annexation plan that  
 3-16 specifically identifies annexations that may occur beginning on the  
 3-17 third anniversary of the date the annexation plan is adopted. The  
 3-18 municipality may amend the plan to specifically identify  
 3-19 annexations that may occur beginning on the third anniversary of  
 3-20 the date the plan is amended.

3-21 (d) At any time during which an area is included in a  
 3-22 municipality's annexation plan, a municipal utility district or  
 3-23 other special district that will be abolished as a result of the  
 3-24 annexation, excluding an emergency services district, in which the  
 3-25 area is located may not without consent of the municipality:

3-26 (1) reduce the tax rate applicable to the area if the  
 4-1 amount that would remain in the debt service fund after the  
 4-2 reduction and after subtracting the amount due for debt service in  
 4-3 the following year is less than 25 percent of the debt service  
 4-4 requirements for the following year;

4-5 (2) voluntarily transfer an asset without  
 4-6 consideration; or

4-7 (3) enter into a contract for services that extends  
 4-8 beyond the three-year annexation plan period other than a contract  
 4-9 with another political subdivision for the operation of water,  
 4-10 wastewater, and drainage facilities.

4-11 (e) A municipality may amend its annexation plan at any time  
 4-12 to remove an area proposed for annexation. If, before the end of  
 4-13 the 18th month after the month an area is included in the  
 4-14 three-year annexation cycle, a municipality amends its annexation  
 4-15 plan to remove the area, the municipality may not amend the plan to  
 4-16 again include the area in its annexation plan until the first  
 4-17 anniversary of the date the municipality amended the plan to remove  
 4-18 the area. If, during or after the 18 months after the month an  
 4-19 area is included in the three-year annexation cycle, a municipality  
 4-20 amends its annexation plan to remove the area, the municipality may  
 4-21 not amend the plan to again include the area in its annexation plan  
 4-22 until the second anniversary of the date the municipality amended  
 4-23 the plan to remove the area.

4-24 (f) Before the 90th day after the date a municipality adopts  
 4-25 or amends an annexation plan under this section, the municipality  
 4-26 shall give written notice to:

5-1 (1) each property owner in the affected area, as  
 5-2 indicated by the appraisal records furnished by the appraisal  
 5-3 district for each county in which the affected area is located,  
 5-4 that the area has been included in or removed from the  
 5-5 municipality's annexation plan;

5-6 (2) each public entity, as defined by Section 43.053,  
 5-7 or private entity that provides services in the area proposed for  
 5-8 annexation; and

5-9 (3) [ANNEXATION HEARING REQUIREMENTS. (a) Before a  
 5-10 municipality may institute annexation proceedings, the governing  
 5-11 body of the municipality must conduct two public hearings at which  
 5-12 persons interested in the annexation are given the opportunity to  
 5-13 be heard. The hearings must be conducted on or after the 40th day  
 5-14 but before the 20th day before the date of the institution of the  
 5-15 proceedings.]

5-16 [(b) At least one of the hearings must be held in the area  
 5-17 proposed for annexation if more than 20 adult residents of the area



5-18 ~~file a written protest of the annexation with the secretary of the~~  
 5-19 ~~municipality within 10 days after the date of the publication of~~  
 5-20 ~~the notice required by this section. The protest must state the~~  
 5-21 ~~name, address, and age of each protester who signs.]~~

5-22 ~~[(c) The municipality must publish notice of the hearings in~~  
 5-23 ~~a newspaper of general circulation in the municipality and in the~~  
 5-24 ~~area proposed for annexation. The notice for each hearing must be~~  
 5-25 ~~published at least once on or after the 20th day but before the~~  
 5-26 ~~10th day before the date of the hearing. The municipality must~~  
 6-1 ~~give additional notice by certified mail to] each railroad company~~  
 6-2 ~~that serves the municipality and is on the municipality's tax roll~~  
 6-3 ~~if the company's right-of-way is in the area proposed for~~  
 6-4 ~~annexation.~~

6-5 (g) If an area is not removed from the municipality's  
 6-6 annexation plan, the annexation of the area under the plan must be  
 6-7 completed before the 31st day after the third anniversary of the  
 6-8 date the area was included in the annexation plan. If the  
 6-9 annexation is not completed within the period prescribed by this  
 6-10 subsection, the municipality may not annex the area proposed for  
 6-11 annexation before the fifth anniversary of the last day for  
 6-12 completing an annexation under this subsection.

6-13 (h) This section does not apply to an area proposed for  
 6-14 annexation if:

6-15 (1) the area contains fewer than 100 separate tracts  
 6-16 of land on which one or more residential dwellings are located on  
 6-17 each tract;

6-18 (2) the area will be annexed by petition of more than  
 6-19 50 percent of the real property owners in the area proposed for  
 6-20 annexation or by vote or petition of the qualified voters or real  
 6-21 property owners as provided by Subchapter B;

6-22 (3) the area is or was the subject of:

6-23 (A) an industrial district contract under  
 6-24 Section 42.044; or

6-25 (B) a strategic partnership agreement under  
 6-26 Section 43.0751;

7-1 (4) the area is located in a colonia, as that term is  
 7-2 defined by Section 2306.581, Government Code;

7-3 (5) the area is annexed under Section 43.026, 43.027,  
 7-4 43.029, or 43.031;

7-5 (6) the area is located completely within the  
 7-6 boundaries of a closed military installation; or

7-7 (7) the municipality determines that the annexation of  
 7-8 the area is necessary to protect the area proposed for annexation  
 7-9 or the municipality from:

7-10 (A) imminent destruction of property or injury  
 7-11 to persons; or

7-12 (B) a condition or use that constitutes a public  
 7-13 or private nuisance as defined by background principles of nuisance  
 7-14 and property law of this state.

7-15 (i) A municipality may not circumvent the requirements of  
 7-16 this section by proposing to separately annex two or more areas  
 7-17 described by Subsection (h)(1) if no reason exists under generally  
 7-18 accepted municipal planning principles and practices for separately  
 7-19 annexing the areas. If a municipality proposes to separately annex  
 7-20 areas in violation of this section, a person residing or owning  
 7-21 land in the area may petition the municipality to include the area  
 7-22 in the municipality's annexation plan. If the municipality fails  
 7-23 to take action on the petition, the petitioner may request  
 7-24 arbitration of the dispute. The petitioner must request the  
 7-25 appointment of an arbitrator in writing to the municipality.

7-26 Sections 43.0564(b), (c), and (e) apply to the appointment of an  
8-1 arbitrator and the conduct of an arbitration proceeding under this  
8-2 subsection. Except as provided by this subsection, the  
8-3 municipality shall pay the cost of arbitration. If the arbitrator  
8-4 finds that the petitioner's request for arbitration was groundless  
8-5 or requested in bad faith or for the purposes of harassment, the  
8-6 arbitrator shall require the petitioner to pay the costs of  
8-7 arbitration.

8-8 (j) If a municipality has an Internet website, the  
8-9 municipality shall:

8-10 (1) post and maintain the posting of its annexation  
8-11 plan on its Internet website;

8-12 (2) post and maintain the posting on its Internet  
8-13 website of any amendments to include an area in its annexation plan  
8-14 until the date the area is annexed; and

8-15 (3) post and maintain the posting on its Internet  
8-16 website of any amendments to remove an area from its annexation  
8-17 plan until the date the municipality may again include the area in  
8-18 its annexation plan.

8-19 Sec. 43.053. INVENTORY OF SERVICES AND FACILITIES REQUIRED.

8-20 (a) In this section, "public entity" includes a municipality,  
8-21 county, fire protection service provider, including a volunteer  
8-22 fire department, emergency medical services provider, including a  
8-23 volunteer emergency medical services provider, or a special  
8-24 district, as that term is defined by Section 43.052.

8-25 (b) After adopting an annexation plan or amending an  
8-26 annexation plan to include additional areas under Section 43.052, a  
9-1 municipality shall compile a comprehensive inventory of services  
9-2 and facilities provided by public and private entities, directly or  
9-3 by contract, in each area proposed for annexation. The inventory  
9-4 of services and facilities must include all services and facilities  
9-5 the municipality is required to provide or maintain following the  
9-6 annexation.

9-7 (c) The municipality shall request, in the notice provided  
9-8 under Section 43.052(f), the information necessary to compile the  
9-9 inventory from each public or private entity that provides services  
9-10 or facilities in each area proposed for annexation. The public or  
9-11 private entity shall provide to the municipality the information  
9-12 held by the entity that is necessary to compile the inventory not  
9-13 later than the 90th day after the date the municipality requests  
9-14 the information unless the entity and the municipality agree to  
9-15 extend the period for providing the information. The information  
9-16 provided under this subsection must include the type of service  
9-17 provided, the method of service delivery, and all information  
9-18 prescribed by Subsections (e) and (f). If a service provider fails  
9-19 to provide the required information within the 90-day period, the  
9-20 municipality is not required to include the information in an  
9-21 inventory prepared under this section.

9-22 (d) The information required in the inventory shall be based  
9-23 on the services and facilities provided during the year preceding  
9-24 the date the municipality adopted the annexation plan or amended  
9-25 the annexation plan to include additional areas.

9-26 (e) For utility facilities, roads, drainage structures, and  
10-1 other infrastructure provided or maintained by public or private  
10-2 entities, the inventory must include:

10-3 (1) an engineer's report that describes the physical  
10-4 condition of all infrastructure elements in the area; and

10-5 (2) a summary of capital, operational, and maintenance  
10-6 expenditures for that infrastructure.

10-7 (f) For police, fire, and emergency medical services

10-8 provided by public or private entities, the inventory must include  
 10-9 for each service:

10-10 (1) the average dispatch and delivery time;  
 10-11 (2) a schedule of equipment, including vehicles;  
 10-12 (3) a staffing schedule that discloses the  
 10-13 certification and training levels of personnel; and  
 10-14 (4) a summary of operating and capital expenditures.  
 10-15 (g) The municipality shall complete the inventory and make  
 10-16 the inventory available for public inspection on or before the 60th  
 10-17 day after the date the municipality receives the required  
 10-18 information from the service providers under Subsection (c).  
 10-19 (h) The municipality may monitor the services provided in an  
 10-20 area proposed for annexation and verify the inventory information  
 10-21 provided by the service provider. [PERIOD FOR COMPLETION OF  
 10-22 ANNEXATION; EFFECTIVE DATE. (a) The annexation of an area must be  
 10-23 completed within 90 days after the date the governing body  
 10-24 institutes the annexation proceedings or those proceedings are  
 10-25 void. Any period during which the municipality is restrained or  
 10-26 enjoined by a court of competent jurisdiction from annexing the  
 11-1 area is not included in computing the 90-day period.]  
 11-2 [(b) Notwithstanding any provision of a municipal charter to  
 11-3 the contrary, the governing body of a municipality with a  
 11-4 population of 1.5 million or more may provide that an annexation  
 11-5 take effect on any date within 90 days after the date of the  
 11-6 adoption of the ordinance providing for the annexation.]  
 11-7 SECTION 5. Subsection (a), Section 43.054, Local Government  
 11-8 Code, is amended to read as follows:  
 11-9 (a) A municipality with a population of less than 1.6  
 11-10 million may not annex a publicly or privately owned area, including  
 11-11 a strip of area following the course of a road, highway, river,  
 11-12 stream, or creek, unless the width of the area at its narrowest  
 11-13 point is at least 1,000 feet.  
 11-14 SECTION 6. Subchapter C, Chapter 43, Local Government Code,  
 11-15 is amended by adding Sections 43.0545 and 43.0546 to read as  
 11-16 follows:  
 11-17 Sec. 43.0545. ANNEXATION OF CERTAIN ADJACENT AREAS. (a) A  
 11-18 municipality may not annex an area that is located in the  
 11-19 extraterritorial jurisdiction of the municipality only because the  
 11-20 area is contiguous to municipal territory that is less than 1,000  
 11-21 feet in width at its narrowest point.  
 11-22 (b) A municipality may not annex an area that is located in  
 11-23 the extraterritorial jurisdiction of the municipality only because  
 11-24 the area is contiguous to municipal territory that:  
 11-25 (1) was annexed before September 1, 1999; and  
 11-26 (2) was in the extraterritorial jurisdiction of the  
 12-1 municipality at the time of annexation only because the territory  
 12-2 was contiguous to municipal territory that was less than 1,000 feet  
 12-3 in width at its narrowest point.  
 12-4 (c) Subsections (a) and (b) do not apply to an area:  
 12-5 (1) completely surrounded by incorporated territory of  
 12-6 one or more municipalities;  
 12-7 (2) for which the owners of the area have requested  
 12-8 annexation by the municipality;  
 12-9 (3) that is owned by the municipality; or  
 12-10 (4) that is the subject of an industrial district  
 12-11 contract under Section 42.044.  
 12-12 (d) Subsection (b) does not apply if the minimum width of  
 12-13 the narrow territory described by Subsection (b)(2), following  
 12-14 subsequent annexation, is no longer less than 1,000 feet in width  
 12-15 at its narrowest point.

12-16 (e) For purposes of this section, roads, highways, rivers,  
 12-17 lakes, or other bodies of water are not included in computing the  
 12-18 1,000-foot distance unless the area being annexed includes land in  
 12-19 addition to a road, highway, river, lake, or other body of water.

12-20 Sec. 43.0546. ANNEXATION OF CERTAIN ADJACENT AREAS BY  
 12-21 POPULOUS MUNICIPALITIES. (a) In this section, "municipal area"  
 12-22 means the area within the corporate boundaries of a municipality  
 12-23 other than:

12-24 (1) an area annexed before September 1, 1999, that is  
 12-25 less than 1,000 feet wide at any point;

12-26 (2) an area within the corporate boundaries of the  
 13-1 municipality that was annexed by the municipality before September  
 13-2 1, 1999, and at the time of the annexation the area was contiguous  
 13-3 to municipal territory that was less than 1,000 feet wide at any  
 13-4 point;

13-5 (3) an area annexed after December 1, 1995, and before  
 13-6 September 1, 1999;

13-7 (4) municipally owned property; or

13-8 (5) an area contiguous to municipally owned property  
 13-9 if the municipally owned property was annexed in an annexation that  
 13-10 included an area that was less than 1,000 feet wide at its  
 13-11 narrowest point.

13-12 (b) This section applies only to a municipality with a  
 13-13 population of 1.6 million or more.

13-14 (c) A municipality to which this section applies may not  
 13-15 annex an area that is less than 1,500 feet wide at any point. At  
 13-16 least 1,500 feet of the perimeter of the area annexed by a  
 13-17 municipality must be coterminous with the boundary of the municipal  
 13-18 area of the municipality.

13-19 (d) This section does not apply to territory:

13-20 (1) that is completely surrounded by municipal area;

13-21 (2) for which the owners of the area have requested  
 13-22 annexation by the municipality;

13-23 (3) within a district whose elected board of directors  
 13-24 has by a majority vote requested annexation;

13-25 (4) owned by the municipality; or

13-26 (5) that contains fewer than 50 inhabitants.

14-1 SECTION 7. Section 43.056, Local Government Code, is amended  
 14-2 to read as follows:

14-3 Sec. 43.056. PROVISION OF SERVICES TO ANNEXED AREA.

14-4 (a) Before the first day of the 10th month after the month in  
 14-5 which the inventory is prepared as provided by Section 43.053,  
 14-6 [publication of the notice of the first hearing required under  
 14-7 Section 43.052, the governing body of] the municipality proposing  
 14-8 the annexation shall complete [direct its planning department or  
 14-9 other appropriate municipal department to prepare] a service plan  
 14-10 that provides for the extension of full municipal services to the  
 14-11 area to be annexed. The municipality shall provide the services by  
 14-12 any of the methods by which it extends the services to any other  
 14-13 area of the municipality.

14-14 (b) The service plan must include a program under which the  
 14-15 municipality will provide full municipal services in the annexed  
 14-16 area no later than 2-1/2 [4-1/2] years after the effective date of  
 14-17 the annexation, in accordance with Subsection (e), unless certain  
 14-18 services cannot reasonably be provided within that period and the  
 14-19 municipality proposes a schedule for providing those services  
 14-20 [~~(d)~~]. If the municipality proposes a schedule to extend the  
 14-21 period for providing certain services, the schedule must provide  
 14-22 for the provision of full municipal services no later than 4-1/2  
 14-23 years after the effective date of the annexation. If the area was

14-24 annexed after December 1, 1998, and before September 1, 1999, the  
 14-25 municipality shall provide sewer services in the annexed area as  
 14-26 provided by this subsection, except that, no later than five years  
 15-1 after the effective date of the annexation, the municipality may  
 15-2 not provide sewer services in the annexed area by means of a  
 15-3 package wastewater treatment plant. However, under the program if  
 15-4 the municipality provides any of the following services within the  
 15-5 corporate boundaries of the municipality before annexation, the  
 15-6 municipality must provide those [the following] services in the  
 15-7 area proposed for annexation on [within 60 days after] the  
 15-8 effective date of the annexation of the area:

- 15-9 (1) police protection;
- 15-10 (2) fire protection;
- 15-11 (3) emergency medical services;
- 15-12 (4) solid waste collection, except as provided by  
 15-13 Subsection (o);
- 15-14 (5) operation and [+4] maintenance of water and  
 15-15 wastewater facilities in the annexed area that are not within the  
 15-16 service area of another water or wastewater utility;
- 15-17 (6) operation and [+5] maintenance of roads and  
 15-18 streets, including road and street lighting;
- 15-19 (7) operation and [+6] maintenance of parks,  
 15-20 playgrounds, and swimming pools; and
- 15-21 (8) operation and [+7] maintenance of any other  
 15-22 publicly owned facility, building, or service.

15-23 ~~[(b-1) The service plan of a municipality with a population~~  
 15-24 ~~of 1.5 million or more must include a program under which the~~  
 15-25 ~~municipality will provide full municipal services in the annexed~~  
 15-26 ~~area no later than 4 1/2 years after the effective date of the~~  
 16-1 ~~annexation, in accordance with Subsection (d). However, under the~~  
 16-2 ~~program the municipality must:]~~

- 16-3 ~~[(1) provide the following services in the area on and~~  
 16-4 ~~after the effective date of the annexation of the area:]~~
- 16-5 ~~[(A) police protection, and]~~  
 16-6 ~~[(B) solid waste collection,]~~
- 16-7 ~~[(2) provide the following services in the area within~~  
 16-8 ~~30 days after the effective date of the annexation of the area, if~~  
 16-9 ~~the services are provided through a contract between the~~  
 16-10 ~~municipality and a service provider:]~~
- 16-11 ~~[(A) emergency medical service, and]~~  
 16-12 ~~[(B) fire protection, and]~~
- 16-13 ~~[(3) provide the following services in the area within~~  
 16-14 ~~60 days after the effective date of the annexation of the area:]~~
- 16-15 ~~[(A) maintenance of water and wastewater~~  
 16-16 ~~facilities in the annexed area that are not within the service area~~  
 16-17 ~~of another water or wastewater utility,]~~
- 16-18 ~~[(B) maintenance of roads and streets, including~~  
 16-19 ~~road and street lighting,]~~
- 16-20 ~~[(C) maintenance of parks, playgrounds, and~~  
 16-21 ~~swimming pools,]~~
- 16-22 ~~[(D) maintenance of any other publicly owned~~  
 16-23 ~~facility, building, or service, and]~~
- 16-24 ~~[(E) emergency medical service and fire~~  
 16-25 ~~protection, if the services are provided by municipal personnel and~~  
 16-26 ~~equipment.]~~

17-1 (c) For purposes of this section, "full municipal services"  
 17-2 means services ~~[funded in whole or in part by municipal taxation~~  
 17-3 ~~and] provided by the annexing municipality within its full-purpose~~  
 17-4 ~~boundaries, including water and wastewater services and excluding~~  
 17-5 ~~gas or electrical service.~~

17-6           (d) A municipality with a population of 1.5 million or more  
 17-7 may provide all or part of the municipal services required under  
 17-8 the service plan by contracting with service providers. If the  
 17-9 municipality owns a water and wastewater utility, the municipality  
 17-10 shall, subject to this section, extend water and wastewater service  
 17-11 to any annexed area not within the service area of another water or  
 17-12 wastewater utility. If the municipality annexes territory included  
 17-13 within the boundaries of a municipal utility district or a water  
 17-14 control and improvement district, the municipality shall comply  
 17-15 with applicable state law relating to annexation of territory  
 17-16 within a municipal utility district or a water control and  
 17-17 improvement district. The service plan shall summarize the service  
 17-18 extension policies of the municipal water and wastewater utility.

17-19           (e) ~~[(d)]~~ The service plan must also include a program under  
 17-20 which the municipality will initiate after the effective date of  
 17-21 the annexation the acquisition or construction of capital  
 17-22 improvements necessary for providing municipal services adequate to  
 17-23 serve the area. The construction shall ~~[begin within two years~~  
 17-24 ~~after the effective date of the annexation of the area and shall]~~  
 17-25 be substantially completed within the period provided in the  
 17-26 service plan. The service plan may be amended to extend the period  
 18-1 for construction if the construction is proceeding with all  
 18-2 deliberate speed ~~[4-1/2 years after that date]~~. The acquisition or  
 18-3 construction of the facilities shall be accomplished by purchase,  
 18-4 lease, or other contract or by the municipality succeeding to the  
 18-5 powers, duties, assets, and obligations of a conservation and  
 18-6 reclamation district as authorized or required by law. The  
 18-7 construction of the facilities shall be accomplished in a  
 18-8 continuous process and shall be completed as soon as reasonably  
 18-9 possible, consistent with generally accepted local engineering and  
 18-10 architectural standards and practices. However, the municipality  
 18-11 does not violate this subsection if the construction process is  
 18-12 interrupted for any reason by circumstances beyond the direct  
 18-13 control of the municipality. The requirement that construction of  
 18-14 capital improvements must be substantially completed within the  
 18-15 period provided in the service plan ~~[4-1/2 years]~~ does not apply to  
 18-16 a development project or proposed development project within an  
 18-17 annexed area if the annexation of the area was initiated by  
 18-18 petition or request of the owners of land in the annexed area and  
 18-19 the municipality and the landowners have subsequently agreed in  
 18-20 writing that the development project within that area, because of  
 18-21 its size or projected manner of development by the developer, is  
 18-22 not reasonably expected to be completed within that period.

18-23           (f) ~~[(e)]~~ A service plan may not:  
 18-24           (1) require the creation of another political  
 18-25 subdivision;  
 18-26           (2) require a landowner in the area to fund the  
 19-1 capital improvements necessary to provide municipal services in a  
 19-2 manner inconsistent with Chapter 395 unless otherwise agreed to by  
 19-3 the landowner; or  
 19-4           (3) provide ~~[fewer]~~ services ~~[or lower levels of~~  
 19-5 ~~services]~~ in the area in a manner that would have the effect of  
 19-6 reducing by more than a negligible amount the level of fire and  
 19-7 police protection and emergency medical services provided within  
 19-8 the corporate boundaries of the municipality before annexation~~[-]~~  
 19-9 ~~[(A) than were in existence in the area~~  
 19-10 ~~immediately preceding the date of the annexation, or]~~  
 19-11 ~~[(B) than are otherwise available in other parts~~  
 19-12 ~~of the municipality with land uses and population densities similar~~  
 19-13 ~~to those reasonably contemplated or projected in the area].~~

19-14 (g) If the annexed area had a lower level of services,  
 19-15 infrastructure, and infrastructure maintenance than the level of  
 19-16 services, infrastructure, and infrastructure maintenance provided  
 19-17 within the corporate boundaries of the municipality before  
 19-18 annexation, a service plan must provide the annexed area with a  
 19-19 level of services, infrastructure, and infrastructure maintenance  
 19-20 that is comparable to the level of services, infrastructure, and  
 19-21 infrastructure maintenance available in other parts of the  
 19-22 municipality with topography, land use, and population density  
 19-23 similar to those reasonably contemplated or projected in the area.  
 19-24 If the annexed area had a level of services, infrastructure, and  
 19-25 infrastructure maintenance equal to the level of services,  
 19-26 infrastructure, and infrastructure maintenance provided within the  
 20-1 corporate boundaries of the municipality before annexation, a  
 20-2 service plan must maintain that same level of services,  
 20-3 infrastructure, and infrastructure maintenance. Except as provided  
 20-4 by this subsection, if the annexed area had a level of services  
 20-5 superior to the level of services provided within the corporate  
 20-6 boundaries of the municipality before annexation, a service plan  
 20-7 must provide the annexed area with a level of services that is  
 20-8 comparable to the level of services available in other parts of the  
 20-9 municipality with topography, land use, and population density  
 20-10 similar to those reasonably contemplated or projected in the area.  
 20-11 If the annexed area had a level of services for operating and  
 20-12 maintaining the infrastructure of the area, including the  
 20-13 facilities described by Subsections (b)(5)-(8), superior to the  
 20-14 level of services provided within the corporate boundaries of the  
 20-15 municipality before annexation, a service plan must provide for the  
 20-16 operation and maintenance of the infrastructure of the annexed area  
 20-17 at a level of services that is equal or superior to that level of  
 20-18 services.

20-19 (h) A municipality with a population of 1.6 million or more  
 20-20 may not impose a fee in the annexed area, over and above ad valorem  
 20-21 taxes and fees imposed within the corporate boundaries of the  
 20-22 municipality before annexation, to maintain the level of services  
 20-23 that existed in the area before annexation. This subsection does  
 20-24 not prohibit the municipality from imposing a fee for a service in  
 20-25 the area annexed if the same fee is imposed within the corporate  
 20-26 boundaries of the municipality before annexation.

21-1 (i) [~~f~~] If only a part of the area to be annexed is  
 21-2 actually annexed, the governing body shall direct the department to  
 21-3 prepare a revised service plan for that part.

21-4 (j) [~~g~~] The proposed service plan must be made available  
 21-5 for public inspection and explained to the inhabitants of the area  
 21-6 at the public hearings held under Section 43.0561 [~~43.052~~]. The  
 21-7 plan may be amended through negotiation at the hearings, but the  
 21-8 provision of any service may not be deleted. On completion of the  
 21-9 public hearings, the service plan shall be attached to the  
 21-10 ordinance annexing the area and approved as part of the ordinance.

21-11 (k) [~~h~~] On approval by the governing body, the service  
 21-12 plan is a contractual obligation that is not subject to amendment  
 21-13 or repeal except that if the governing body determines at the  
 21-14 public hearings required by this subsection that changed conditions  
 21-15 or subsequent occurrences make the service plan unworkable or  
 21-16 obsolete, the governing body may amend the service plan to conform  
 21-17 to the changed conditions or subsequent occurrences. An amended  
 21-18 service plan must provide for services that are comparable to or  
 21-19 better than those established in the service plan before amendment.  
 21-20 Before any amendment is adopted, the governing body must provide an  
 21-21 opportunity for interested persons to be heard at public hearings

21-22 called and held in the manner provided by Section 43.0561 [~~43.052~~].

21-23 (1) [(+)] A service plan is valid for 10 years. Renewal of

21-24 the service plan is at the discretion of the municipality. A

21-25 person residing or owning land in an annexed area in a municipality

21-26 with a population of 1.6 million or more may enforce a service plan

22-1 by petitioning the municipality for a change in policy or

22-2 procedures to ensure compliance with the service plan. If the

22-3 municipality fails to take action with regard to the petition, the

22-4 petitioner may request arbitration of the dispute under Section

22-5 43.0565. A person residing or owning land in an annexed area in a

22-6 municipality with a population of less than 1.6 million may enforce

22-7 a service plan by applying for a writ of mandamus not later than

22-8 the second anniversary of the date the person knew or should have

22-9 known that the municipality was not complying with the service

22-10 plan. If a writ of mandamus is applied for, the municipality has

22-11 the burden of proving that the services have been provided in

22-12 accordance with the service plan in question. If a court issues a

22-13 [the] writ under this subsection, the court:

22-14 (1) [municipality shall pay the person's costs and

22-15 reasonable attorney's fees in bringing the action. A writ issued

22-16 under this subsection] must provide the municipality the option of

22-17 disannexing the area within a reasonable period specified by the

22-18 court;

22-19 (2) may require the municipality to comply with the

22-20 service plan in question before a reasonable date specified by the

22-21 court if the municipality does not disannex the area within the

22-22 period prescribed by the court under Subdivision (1);

22-23 (3) may require the municipality to refund to the

22-24 landowners of the annexed area money collected by the municipality

22-25 from those landowners for services to the area that were not

22-26 provided;

23-1 (4) may assess a civil penalty against the

23-2 municipality, to be paid to the state in an amount as justice may

23-3 require, for the period in which the municipality is not in

23-4 compliance with the service plan;

23-5 (5) may require the parties to participate in

23-6 mediation; and

23-7 (6) may require the municipality to pay the person's

23-8 costs and reasonable attorney's fees in bringing the action for the

23-9 writ [30 days].

23-10 (m) [(+)] A municipality that annexes an area shall provide

23-11 the area or cause the area to be provided with services in

23-12 accordance with the service plan for the area.]

23-13 [(+)] This section does not require that a uniform level of

23-14 full municipal services be provided to each area of the

23-15 municipality if different characteristics of topography, land use,

23-16 and population density constitute [are considered] a sufficient

23-17 basis for providing different levels of service. Any disputes

23-18 regarding the level of services provided under this subsection are

23-19 resolved in the same manner provided by Subsection (1). Nothing in

23-20 this subsection modifies the requirement under Subsection (g) for a

23-21 service plan to provide a level of services in an annexed area that

23-22 is equal or superior to the level of services provided within the

23-23 corporate boundaries of the municipality before annexation. To the

23-24 extent of any conflict between this subsection and Subsection (g),

23-25 Subsection (g) prevails.

23-26 (n) Before the second anniversary of the date an area is

24-1 included within the corporate boundaries of a municipality by

24-2 annexation, the municipality may not:

24-3 (1) prohibit the collection of solid waste in the area



24-4 by a privately owned solid waste management service provider; or  
24-5 (2) impose a fee for solid waste management services  
24-6 on a person who continues to use the services of a privately owned  
24-7 solid waste management service provider.

24-8 (o) A municipality is not required to provide solid waste  
24-9 collection services under Subsection (b) to a person who continues  
24-10 to use the services of a privately owned solid waste management  
24-11 service provider as provided by Subsection (n).

24-12 SECTION 8. Subchapter C, Chapter 43, Local Government Code,  
24-13 is amended by renumbering Section 43.0561 as Section 43.0566 and  
24-14 Section 43.0565 as Section 43.0567 and adding Sections 43.0561,  
24-15 43.0562, 43.0563, 43.0564, and 43.0565 to read as follows:

24-16 Sec. 43.0561. ANNEXATION HEARING REQUIREMENTS. (a) Before  
24-17 a municipality may institute annexation proceedings, the governing  
24-18 body of the municipality must conduct two public hearings at which  
24-19 persons interested in the annexation are given the opportunity to  
24-20 be heard. The hearings must be conducted not later than the 90th  
24-21 day after the date the inventory is available for inspection.

24-22 (b) At least one of the hearings must be held in the area  
24-23 proposed for annexation if a suitable site is reasonably available  
24-24 and more than 20 adults who are permanent residents of the area  
24-25 file a written protest of the annexation with the secretary of the  
24-26 municipality within 10 days after the date of the publication of  
25-1 the notice required by this section. The protest must state the  
25-2 name, address, and age of each protester who signs. If a suitable  
25-3 site is not reasonably available in the area proposed for  
25-4 annexation, the hearing may be held outside the area proposed for  
25-5 annexation if the hearing is held in the nearest suitable public  
25-6 facility.

25-7 (c) The municipality must post notice of the hearings on the  
25-8 municipality's Internet website if the municipality has an  
25-9 Internet website and publish notice of the hearings in a newspaper  
25-10 of general circulation in the municipality and in the area proposed  
25-11 for annexation. The notice for each hearing must be published at  
25-12 least once on or after the 20th day but before the 10th day before  
25-13 the date of the hearing. The notice for each hearing must be  
25-14 posted on the municipality's Internet website on or after the 20th  
25-15 day but before the 10th day before the date of the hearing and must  
25-16 remain posted until the date of the hearing. The municipality must  
25-17 give additional notice by certified mail to:

25-18 (1) each public entity, as defined by Section 43.053,  
25-19 and utility service provider that provides services in the area  
25-20 proposed for annexation; and

25-21 (2) each railroad company that serves the municipality  
25-22 and is on the municipality's tax roll if the company's right-of-way  
25-23 is in the area proposed for annexation.

25-24 Sec. 43.0562. NEGOTIATIONS REQUIRED. (a) After holding the  
25-25 hearings as provided by Section 43.0561:

25-26 (1) if a municipality has a population of less than  
26-1 1.6 million, the municipality and the property owners of the area  
26-2 proposed for annexation shall negotiate for the provision of  
26-3 services to the area after annexation or for the provision of  
26-4 services to the area in lieu of annexation under Section 43.0563;  
26-5 or

26-6 (2) if a municipality proposes to annex a special  
26-7 district, as that term is defined by Section 43.052, the  
26-8 municipality and the governing body of the district shall negotiate  
26-9 for the provision of services to the area after annexation or for  
26-10 the provision of services to the area in lieu of annexation under  
26-11 Section 43.0751.

26-12 (b) For purposes of negotiations under Subsection (a)(1),  
26-13 the commissioners court of the county in which the area proposed  
26-14 for annexation is located shall select five representatives to  
26-15 negotiate with the municipality for the provision of services to  
26-16 the area after annexation. If the area proposed for annexation is  
26-17 located in more than one county, the commissioners court of the  
26-18 county in which the greatest number of residents reside shall  
26-19 select three representatives to negotiate with the municipality,  
26-20 and the commissioners courts of the remaining counties jointly  
26-21 shall select two representatives to negotiate with the  
26-22 municipality.

26-23 (c) For purposes of negotiations under Subsection (a)(2), if  
26-24 more than one special district is located in the area proposed for  
26-25 annexation, the governing boards of the districts may jointly  
26-26 select five representatives to negotiate with the municipality on  
27-1 behalf of all the affected districts.

27-2 Sec. 43.0563. CONTRACTS FOR PROVISION OF SERVICES IN LIEU OF  
27-3 ANNEXATION. (a) The governing body of a municipality with a  
27-4 population of less than 1.6 million may negotiate and enter into a  
27-5 written agreement with representatives designated under Section  
27-6 43.0562(b) for the provision of services and the funding of the  
27-7 services in the area. The agreement may also include an agreement  
27-8 related to permissible land uses and compliance with municipal  
27-9 ordinances.

27-10 (b) An agreement under this section is in lieu of annexation  
27-11 by the municipality of the area.

27-12 (c) In negotiating an agreement under this section, the  
27-13 parties may agree to:

27-14 (1) any term allowed under Section 42.044 or 43.0751,  
27-15 regardless of whether the municipality or the area proposed for  
27-16 annexation would have been able to agree to the term under Section  
27-17 42.044 or 43.0751; and

27-18 (2) any other term to which both parties agree to  
27-19 satisfactorily resolve any dispute between the parties, including  
27-20 the creation of any type of special district otherwise allowed by  
27-21 state law.

27-22 Sec. 43.0564. ARBITRATION REGARDING NEGOTIATIONS FOR  
27-23 SERVICES. (a) If the municipality and the representatives of the  
27-24 area proposed for annexation cannot reach an agreement for the  
27-25 provision of services under Section 43.0562 or if the municipality  
27-26 and the property owner representatives cannot reach an agreement  
28-1 for the provision of services in lieu of annexation under Section  
28-2 43.0563, either party by majority decision of the party's  
28-3 representatives may request the appointment of an arbitrator to  
28-4 resolve the service plan issues in dispute. The request must be  
28-5 made in writing to the other party before the 60th day after the  
28-6 date the service plan is completed under Section 43.056. The  
28-7 municipality may not annex the area under another section of this  
28-8 chapter during the pendency of the arbitration proceeding or an  
28-9 appeal from the arbitrator's decision.

28-10 (b) The parties to the dispute may agree on the appointment  
28-11 of an arbitrator. If the parties cannot agree on the appointment  
28-12 of an arbitrator before the 11th business day after the date  
28-13 arbitration is requested, the mayor of the municipality shall  
28-14 immediately request a list of seven neutral arbitrators from the  
28-15 American Arbitration Association or the Federal Mediation and  
28-16 Conciliation Service or their successors in function. An  
28-17 arbitrator included in the list must be a resident of this state  
28-18 and may not be a resident of a county in which any part of the  
28-19 municipality or any part of the district proposed for annexation is

28-20 located. The parties to the dispute may agree on the appointment  
28-21 of an arbitrator included in the list. If the parties cannot agree  
28-22 on the appointment of an arbitrator before the 11th business day  
28-23 after the date the list is provided to the parties, each party or  
28-24 the party's designee may alternately strike a name from the list.  
28-25 The remaining person on the list shall be appointed as the  
28-26 arbitrator. In this subsection, "business day" means a day other  
29-1 than a Saturday, Sunday, or state or national holiday.

29-2 (c) The arbitrator shall:

29-3 (1) set a hearing to be held not later than the 10th  
29-4 day after the date the arbitrator is appointed; and

29-5 (2) notify the parties to the arbitration in writing  
29-6 of the time and place of the hearing not later than the eighth day  
29-7 before the date of the hearing.

29-8 (d) The authority of the arbitrator is limited to issuing a  
29-9 decision relating only to the service plan issues in dispute.

29-10 (e) The arbitrator may:

29-11 (1) receive in evidence any documentary evidence or  
29-12 other information the arbitrator considers relevant;

29-13 (2) administer oaths; and

29-14 (3) issue subpoenas to require:

29-15 (A) the attendance and testimony of witnesses;  
29-16 and

29-17 (B) the production of books, records, and other  
29-18 evidence relevant to an issue presented to the arbitrator for  
29-19 determination.

29-20 (f) Unless the parties to the dispute agree otherwise, the  
29-21 arbitrator shall complete the hearing within two consecutive days.  
29-22 The arbitrator shall permit each party one day to present evidence  
29-23 and other information. The arbitrator, for good cause shown, may  
29-24 schedule an additional hearing to be held not later than the  
29-25 seventh day after the date of the first hearing. Unless otherwise  
29-26 agreed to by the parties, the arbitrator must issue a decision in  
30-1 writing and deliver a copy of the decision to the parties not later  
30-2 than the 14th day after the date of the final hearing.

30-3 (g) Either party may appeal any provision of an arbitrator's  
30-4 decision that exceeds the authority granted under Subsection (d) to  
30-5 a district court in a county in which the area proposed for  
30-6 annexation is located.

30-7 (h) If the municipality does not agree with the terms of the  
30-8 arbitrator's decision, the municipality may not annex the area  
30-9 proposed for annexation before the fifth anniversary of the date  
30-10 of the arbitrator's decision.

30-11 (i) Except as provided by this subsection, the municipality  
30-12 shall pay the cost of arbitration. If the arbitrator finds that  
30-13 the request for arbitration submitted by the representatives of the  
30-14 area proposed for annexation was groundless or requested in bad  
30-15 faith or for the purposes of harassment, the arbitrator may require  
30-16 the area proposed for annexation to pay all or part of the cost of  
30-17 arbitration.

30-18 Sec. 43.0565. ARBITRATION REGARDING ENFORCEMENT OF SERVICE  
30-19 PLAN. (a) A person who requests arbitration as provided by  
30-20 Section 43.056(1) must request the appointment of an arbitrator in  
30-21 writing to the municipality.

30-22 (b) Sections 43.0564(b), (c), and (e) apply to appointment  
30-23 of an arbitrator and the conduct of an arbitration proceeding under  
30-24 this section.

30-25 (c) In an arbitration proceeding under this section, the  
30-26 municipality has the burden of proving that the municipality is in  
31-1 compliance with the service plan requirements.

31-2 (d) If the arbitrator finds that the municipality has not  
 31-3 complied with the service plan requirements:

31-4 (1) the municipality may disannex the area before the  
 31-5 31st day after the date the municipality receives a copy of the  
 31-6 arbitrator's decision; and

31-7 (2) the arbitrator may:

31-8 (A) require the municipality to comply with the  
 31-9 service plan in question before a reasonable date specified by the  
 31-10 arbitrator if the municipality does not disannex the area;

31-11 (B) require the municipality to refund to the  
 31-12 landowners of the annexed area money collected by the municipality  
 31-13 from those landowners for services to the area that were not  
 31-14 provided; and

31-15 (C) require the municipality to pay the costs of  
 31-16 arbitration, including the reasonable attorney's fees and  
 31-17 arbitration costs of the person requesting arbitration.

31-18 (e) If the arbitrator finds that the municipality has  
 31-19 complied with the service plan requirements, the arbitrator may  
 31-20 require the person requesting arbitration to pay all or part of the  
 31-21 cost of arbitration, including the reasonable attorney's fees of  
 31-22 the municipality.

31-23 Sec. 43.0566 [~~43.0564~~]. RELEASE OF EXTRATERRITORIAL  
 31-24 JURISDICTION BY GENERAL LAW MUNICIPALITY OVER CERTAIN TRACTS OF  
 31-25 LAND. (a) This section applies only to a tract of property that  
 31-26 is:

32-1 (1) 40 or more acres in size;

32-2 (2) located entirely in a county with a population of  
 32-3 more than 260,000; and

32-4 (3) located in the extraterritorial jurisdiction of a  
 32-5 general law municipality with a population of more than 1,000 but  
 32-6 less than 2,500 that provides water but not sewer services.

32-7 (b) The owner of a tract of land to which this section  
 32-8 applies that is adjacent to the corporate limits of another  
 32-9 municipality may petition the governing body of that other  
 32-10 municipality for annexation. On receipt of a petition, the  
 32-11 municipality may annex the area if the municipality agrees to a  
 32-12 service plan that provides both water and sewer services to the  
 32-13 tract not later than 3-1/2 years after the date of the annexation.  
 32-14 On annexation, the area is released from the extraterritorial  
 32-15 jurisdiction of the municipality described by Subsection (a)(3) and  
 32-16 becomes a part of the municipality agreeing to provide water and  
 32-17 sewer services.

32-18 (c) This section expires March 31, 1996, unless there is  
 32-19 litigation pending at that time involving the validity of the  
 32-20 annexation of a tract of land to which this section applies. If  
 32-21 litigation is pending, this section remains in effect until a court  
 32-22 enters a final judgment in the case.

32-23 Sec. 43.0567 [~~43.0565~~]. PROVISION OF WATER OR SEWER SERVICE  
 32-24 IN POPULOUS MUNICIPALITY. (a) The requirements of this section  
 32-25 are in addition to those prescribed by Section 43.056.

32-26 (b) A municipality with a population of more than 1.6 [~~1.5~~]  
 33-1 million that includes within its boundaries annexed areas without  
 33-2 water service, sewer service, or both:

33-3 (1) shall develop a service plan that:

33-4 (A) must identify developed tracts in annexed  
 33-5 areas of the municipality that do not have water service, sewer  
 33-6 service, or both and must provide a procedure for providing water  
 33-7 service, sewer service, or both to those developed tracts;

33-8 (B) must establish a timetable for providing  
 33-9 service based on a priority system that considers potential health

33-10 hazards, population density, the number of existing buildings, the  
 33-11 reasonable cost of providing service, and the desires of the  
 33-12 residents;

33-13 (C) must include a capital improvements plan  
 33-14 committing the necessary financing;

33-15 (D) may relieve the municipality from an  
 33-16 obligation to provide water service, sewer service, or both in an  
 33-17 area described in the service plan if a majority of the households  
 33-18 in the area sign a petition stating they do not want to receive the  
 33-19 services; and

33-20 (E) may require property owners to connect to  
 33-21 service lines constructed to serve their area;

33-22 (2) shall provide water service, sewer service, or  
 33-23 both to at least 75 percent of the residential buildings in annexed  
 33-24 areas of the municipality that did not have water service, sewer  
 33-25 service, or both on September 1, 1991;

33-26 (3) shall provide water service to each area annexed  
 34-1 before January 1, 1993, if the area or subdivision as described in  
 34-2 the service plan contains at least 25 residences without water  
 34-3 service, unless a majority of the households in the area state in a  
 34-4 petition that they do not want municipal water service; and

34-5 (4) is subject to the penalty prescribed by Section  
 34-6 5.235(n)(6), Water Code, for the failure to provide services.

34-7 SECTION 9. Chapter 43, Local Government Code, is amended by  
 34-8 adding Subchapter C-1 to read as follows:

34-9 SUBCHAPTER C-1. ANNEXATION PROCEDURE FOR AREAS EXEMPTED FROM  
 34-10 MUNICIPAL ANNEXATION PLAN

34-11 Sec. 43.061. APPLICABILITY. This subchapter applies to an  
 34-12 area proposed for annexation that is not required to be included in  
 34-13 a municipal annexation plan under Section 43.052.

34-14 Sec. 43.062. PROCEDURES APPLICABLE. (a) Sections 43.051,  
 34-15 43.054, 43.0545, 43.055, 43.0565, 43.0567, and 43.057 apply to the  
 34-16 annexation of an area to which this subchapter applies.

34-17 (b) This subsection applies only to an area described by  
 34-18 Section 43.052(h)(1). Before the 30th day before the date of the  
 34-19 first hearing required under Section 43.063, a municipality shall  
 34-20 give written notice of its intent to annex the area to:

34-21 (1) each property owner in an area proposed for  
 34-22 annexation, as indicated by the appraisal records furnished by the  
 34-23 appraisal district for each county in which the area is located;

34-24 (2) each public entity, as defined by Section 43.053,  
 34-25 or private entity that provides services in the area proposed for  
 34-26 annexation; and

35-1 (3) each railroad company that serves the municipality  
 35-2 and is on the municipality's tax roll if the company's right-of-way  
 35-3 is in the area proposed for annexation.

35-4 Sec. 43.063. ANNEXATION HEARING REQUIREMENTS. (a) Before a  
 35-5 municipality may institute annexation proceedings, the governing  
 35-6 body of the municipality must conduct two public hearings at which  
 35-7 persons interested in the annexation are given the opportunity to  
 35-8 be heard. The hearings must be conducted on or after the 40th day  
 35-9 but before the 20th day before the date of the institution of the  
 35-10 proceedings.

35-11 (b) At least one of the hearings must be held in the area  
 35-12 proposed for annexation if a suitable site is reasonably available  
 35-13 and more than 10 percent of the adults who are permanent residents  
 35-14 of the area file a written protest of the annexation with the  
 35-15 secretary of the municipality within 10 days after the date of the  
 35-16 publication of the notice required by this section. The protest  
 35-17 must state the name, address, and age of each protester who signs.

35-18 (c) The municipality must post notice of the hearings on the  
35-19 municipality's Internet website if the municipality has an Internet  
35-20 website and publish notice of the hearings in a newspaper of  
35-21 general circulation in the municipality and in the area proposed  
35-22 for annexation. The notice for each hearing must be published at  
35-23 least once on or after the 20th day but before the 10th day before  
35-24 the date of the hearing. The notice for each hearing must be  
35-25 posted on the municipality's Internet website on or after the 20th  
35-26 day but before the 10th day before the date of the hearing and must  
36-1 remain posted until the date of the hearing. The municipality must  
36-2 give additional notice by certified mail to each railroad company  
36-3 that serves the municipality and is on the municipality's tax roll  
36-4 if the company's right-of-way is in the area proposed for  
36-5 annexation.

36-6 Sec. 43.064. PERIOD FOR COMPLETION OF ANNEXATION; EFFECTIVE  
36-7 DATE. (a) The annexation of an area must be completed within 90  
36-8 days after the date the governing body institutes the annexation  
36-9 proceedings or those proceedings are void. Any period during which  
36-10 the municipality is restrained or enjoined by a court from annexing  
36-11 the area is not included in computing the 90-day period.

36-12 (b) Notwithstanding any provision of a municipal charter to  
36-13 the contrary, the governing body of a municipality with a  
36-14 population of 1.6 million or more may provide that an annexation  
36-15 take effect on any date within 90 days after the date of the  
36-16 adoption of the ordinance providing for the annexation.

36-17 Sec. 43.065. PROVISION OF SERVICES TO ANNEXED AREA.  
36-18 (a) Before the publication of the notice of the first hearing  
36-19 required under Section 43.063, the governing body of the  
36-20 municipality proposing the annexation shall direct its planning  
36-21 department or other appropriate municipal department to prepare a  
36-22 service plan that provides for the extension of full municipal  
36-23 services to the area to be annexed. The municipality shall provide  
36-24 the services by any of the methods by which it extends the services  
36-25 to any other area of the municipality.

36-26 (b) Sections 43.056(b)-(o) apply to the annexation of an  
37-1 area to which this subchapter applies.

37-2 SECTION 10. Subchapter D, Chapter 43, Local Government Code,  
37-3 is amended by adding Section 43.0712 to read as follows:

37-4 Sec. 43.0712. INVALIDATION OF ANNEXATION OF SPECIAL  
37-5 DISTRICT; REIMBURSEMENT OF DEVELOPER. (a) If a municipality  
37-6 enacts an ordinance to annex a special district and assumes control  
37-7 and operation of utilities within the district, and the annexation  
37-8 is invalidated by a final judgment of a court after all appeals  
37-9 have been exhausted, the municipality is deemed, by enactment of  
37-10 its annexation ordinance, to have acquired title to utilities owned  
37-11 by a developer within the special district and is obligated to pay  
37-12 the developer all amounts related to the utilities as provided in  
37-13 Section 43.0715.

37-14 (b) Upon resumption of the functions of the special  
37-15 district:

37-16 (1) the municipality shall succeed to the contractual  
37-17 rights of the developer to be reimbursed by the special district  
37-18 for the utilities the municipality acquires from the developer; and

37-19 (2) the special district shall resume the use of the  
37-20 utilities acquired and paid for by the municipality and shall  
37-21 thereafter acquire the utilities from the municipality and  
37-22 reimburse the municipality for amounts the municipality paid the  
37-23 developer. The payment to the municipality shall be governed by  
37-24 the requirements of the Texas Natural Resource Conservation  
37-25 Commission.

37-26 SECTION 11. Section 43.0751, Local Government Code, is  
38-1 amended by amending Subsections (b) and (k) and adding Subsections  
38-2 (o) and (p) to read as follows:

38-3 (b) The governing bodies of a municipality and a district  
38-4 may ~~[shall]~~ negotiate and ~~[may]~~ enter into a written strategic  
38-5 partnership agreement for the district by mutual consent. The  
38-6 governing body of a municipality, on written request from a  
38-7 district included in the municipality's annexation plan under  
38-8 Section 43.052, shall negotiate and enter into a written strategic  
38-9 partnership agreement with the district. A district included in a  
38-10 municipality's annexation plan under Section 43.052:

38-11 (1) may not submit its written request before the date  
38-12 of the second hearing required under Section 43.0561; and

38-13 (2) must submit its written request before the 61st  
38-14 day after the date of the second hearing required under Section  
38-15 43.0561 ~~[bodies of the municipality and the district shall evidence~~  
38-16 ~~their intention to negotiate such an agreement by resolution, each~~  
38-17 ~~of which resolutions shall specify an expiration date if the other~~  
38-18 ~~governing body fails to adopt a resolution under this section on or~~  
38-19 ~~before the specified date. The governing body of a municipality~~  
38-20 ~~that has evidenced its intention by unexpired resolution to enter~~  
38-21 ~~into negotiations with a district for an agreement under this~~  
38-22 ~~section may not initiate proceedings to annex the district under~~  
38-23 ~~any other section of this code prior to the expiration of two years~~  
38-24 ~~after the adoption date of the resolution unless the municipality~~  
38-25 ~~has previously instituted annexation proceedings in granting~~  
38-26 ~~consent to the creation of the district prior to January 1, 1995].~~

39-1 (k) A municipality that has annexed all or part of a  
39-2 district for limited purposes under this section may impose a  
39-3 retail sales tax within the boundaries of the part of the district  
39-4 that is annexed for limited purposes.

39-5 (o) If a municipality required to negotiate with a district  
39-6 under this section and the requesting district fail to agree on  
39-7 the terms of a strategic partnership agreement, either party may  
39-8 seek binding arbitration of the issues relating to the agreement in  
39-9 dispute under Section 43.0752.

39-10 (p) An agreement under this section:

39-11 (1) may not require the district to provide revenue to  
39-12 the municipality solely for the purpose of obtaining an agreement  
39-13 with the municipality to forgo annexation of the district; and

39-14 (2) must provide benefits to each party, including  
39-15 revenue, services, and regulatory benefits, that must be reasonable  
39-16 and equitable with regard to the benefits provided by the other  
39-17 party.

39-18 SECTION 12. Subchapter D, Chapter 43, Local Government Code,  
39-19 is amended by adding Section 43.0752 to read as follows:

39-20 Sec. 43.0752. ARBITRATION OF STRATEGIC PARTNERSHIP  
39-21 AGREEMENT. (a) If the municipality and the district cannot reach  
39-22 an agreement on the terms of a strategic partnership agreement  
39-23 under Section 43.0751, either party may request the appointment of  
39-24 an arbitrator to resolve the issues in dispute. The request must  
39-25 be made in writing to the other party before the 60th day after the  
39-26 date the district submits its written request for negotiations  
40-1 under Section 43.0751(b). The municipality may not annex the  
40-2 district under another section of this chapter during the pendency  
40-3 of the arbitration proceeding or an appeal from the arbitrator's  
40-4 decision.

40-5 (b) Sections 43.0564(b), (c), (e), (f), (g), and (h) apply  
40-6 to appointment of an arbitrator and the conduct of an arbitration  
40-7 proceeding under this section.

40-8 (c) The authority of the arbitrator is limited to  
 40-9 determining whether the offer of a party complies with Section  
 40-10 43.0751(p).

40-11 (d) If the arbitrator finds that an offer complies with  
 40-12 Section 43.0751(p), the arbitrator may issue a decision that  
 40-13 incorporates the offer as part of the strategic partnership  
 40-14 agreement.

40-15 (e) The municipality and the district shall equally pay the  
 40-16 costs of arbitration.

40-17 SECTION 13. Subsection (a), Section 43.121, Local Government  
 40-18 Code, is amended to read as follows:

40-19 (a) The governing body of a home-rule municipality with more  
 40-20 than 225,000 inhabitants [~~if authorized under its home-rule~~  
 40-21 ~~charter,~~] by ordinance may annex an area for the limited purposes  
 40-22 of applying its planning, zoning, health, and safety ordinances in  
 40-23 the area.

40-24 SECTION 14. Subsection (c), Section 43.141, Local Government  
 40-25 Code, is amended to read as follows:

40-26 (c) If the area is disannexed under this section, it may not  
 41-1 be annexed again within 10 [~~five~~] years after the date of the  
 41-2 disannexation. [~~If it is reannexed within seven years after the~~  
 41-3 ~~date of the disannexation, a service plan for the area must be~~  
 41-4 ~~implemented not later than one year after the date of the~~  
 41-5 ~~reannexation.]~~

41-6 SECTION 15. Subchapter G, Chapter 43, Local Government Code,  
 41-7 is amended by adding Section 43.148 to read as follows:

41-8 Sec. 43.148. REFUND OF TAXES AND FEES. (a) If an area is  
 41-9 disannexed, the municipality disannexing the area shall refund to  
 41-10 the landowners of the area the amount of money collected by the  
 41-11 municipality in property taxes and fees from those landowners  
 41-12 during the period that the area was a part of the municipality less  
 41-13 the amount of money that the municipality spent for the direct  
 41-14 benefit of the area during that period.

41-15 (b) A municipality shall proportionately refund the amount  
 41-16 under Subsection (a) to the landowners according to a method to be  
 41-17 developed by the municipality that identifies each landowner's  
 41-18 approximate pro rata payment of the taxes and fees being refunded.

41-19 (c) A municipality required to refund money under this  
 41-20 section shall refund the money to current landowners in the area  
 41-21 not later than the 180th day after the date the area is disannexed.  
 41-22 Money that is not refunded within the period prescribed by this  
 41-23 subsection accrues interest at the rate of:

41-24 (1) six percent each year after the 180th day and  
 41-25 until the 210th day after the date the area is disannexed; and

41-26 (2) one percent each month after the 210th day after  
 42-1 the date the area is disannexed.

42-2 SECTION 16. Subchapter Z, Chapter 43, Local Government Code,  
 42-3 is amended by adding Sections 43.905 and 43.906 to read as follows:

42-4 Sec. 43.905. EFFECT OF ANNEXATION ON OPERATION OF SCHOOL  
 42-5 DISTRICT. (a) A municipality that proposes to annex an area shall  
 42-6 provide written notice of the proposed annexation to each public  
 42-7 school district located in the area proposed for annexation within  
 42-8 the period prescribed for publishing the notice of the first  
 42-9 hearing under Section 43.0561 or 43.063, as applicable.

42-10 (b) A notice to a public school district shall contain a  
 42-11 description of:

42-12 (1) the area within the district proposed for  
 42-13 annexation;

42-14 (2) any financial impact on the district resulting  
 42-15 from the annexation, including any changes in utility costs; and



42-16 (3) any proposal the municipality has to abate,  
42-17 reduce, or limit any financial impact on the district.

42-18 (c) The municipality may not proceed with the annexation  
42-19 unless the municipality provides the required notice.

42-20 (d) A municipality that has annexed any portion of an area  
42-21 after December 1, 1996, and before September 1, 1999, in which a  
42-22 school district has a facility shall grant a variance from the  
42-23 municipality's building code for that facility if the facility does  
42-24 not comply with the code.

42-25 (e) A municipality that, as a result of the annexation,  
42-26 provides utility services to a school district facility may charge  
43-1 the district for utility services at:

43-2 (1) the same rate that the district was paying before  
43-3 the annexation; or

43-4 (2) a lower municipal rate.

43-5 (f) A rate set under Subsection (e) is effective until the  
43-6 first day of the school district's fiscal year that begins after  
43-7 the 90th day after the effective date of the annexation.

43-8 Sec. 43.906. VOTING RIGHTS AFTER ANNEXATION. (a) In  
43-9 connection with an annexation or proposed annexation, a  
43-10 municipality shall apply for preclearance under Section 5, Voting  
43-11 Rights Act of 1965 (42 U.S.C. Section 1973c), of any voting change  
43-12 resulting from the annexation or proposed annexation from the  
43-13 United States Department of Justice not later than the 90th day  
43-14 before the effective date of the annexation or the earliest date  
43-15 permitted under federal law.

43-16 (b) Notwithstanding Section 276.006, Election Code, a  
43-17 municipality that annexes an area may not prevent a qualified voter  
43-18 residing in the area from voting in a regularly scheduled municipal  
43-19 election for any reason if the municipality has obtained  
43-20 preclearance of the voting change from the United States Department  
43-21 of Justice.

43-22 SECTION 17. (a) This Act takes effect September 1, 1999.

43-23 (b) Each municipality shall adopt an annexation plan as  
43-24 required by Section 43.052, Local Government Code, as amended by  
43-25 this Act, on or before December 31, 1999, that becomes effective  
43-26 December 31, 1999.

44-1 (c) Except as provided by Subsections (d) and (g) of this  
44-2 section, the changes in law made by Sections 2 through 8 and 10  
44-3 through 15 of this Act apply only to an annexation included in a  
44-4 municipality's annexation plan prepared under Section 43.052, Local  
44-5 Government Code, as amended by this Act. Except as provided by  
44-6 Subsection (d) of this section, a municipality may continue to  
44-7 annex any area during the period beginning December 31, 1999, and  
44-8 ending December 31, 2002, under Chapter 43, Local Government Code,  
44-9 as it existed immediately before September 1, 1999, if the area is  
44-10 not included in the annexation plan, and the former law is  
44-11 continued in effect for that purpose.

44-12 (d) The changes in law made by this Act in Sections 43.002,  
44-13 43.054, 43.0545, 43.0546, 43.056(b), (c), (e), (f), (g), (l), (m),  
44-14 (n), and (o), 43.0565, 43.0712, 43.0751, 43.121(a), 43.141(c),  
44-15 43.148, 43.905, and 43.906, Local Government Code, as added or  
44-16 amended by this Act, apply to the annexation of an area that is not  
44-17 included in the municipality's annexation plan during the period  
44-18 beginning December 31, 1999, and ending December 31, 2002, if the  
44-19 first public hearing required as part of the annexation procedure  
44-20 is conducted on or after September 1, 1999.

44-21 (e) The changes in law made by this Act in Sections 43.002,  
44-22 43.054, 43.0545, 43.0546, 43.056(b), (c), (e), (f), (g), (l), (m),  
44-23 (n), and (o), 43.0565, 43.0712, 43.121(a), 43.141(c), 43.148,

44-24 43.905, and 43.906, Local Government Code, as added or amended by  
 44-25 this Act, apply to the annexation of an area that is not required  
 44-26 to be included in a municipal annexation plan under Section 43.052,  
 45-1 Local Government Code, as amended by this Act, if the first hearing  
 45-2 notice required by Section 43.063, Local Government Code, as added  
 45-3 by this Act, is published on or after September 1, 1999.

45-4 (f) The change in law made by Section 1 of this Act applies  
 45-5 only to:

45-6 (1) an annexation included in a municipality's  
 45-7 annexation plan prepared under Section 43.052, Local Government  
 45-8 Code, as amended by this Act; and

45-9 (2) an annexation of an area that is not included in  
 45-10 the municipality's annexation plan during the period beginning  
 45-11 December 31, 1999, and ending December 31, 2002, if the first  
 45-12 hearing notice required by Section 43.052, Local Government Code,  
 45-13 as it existed immediately before September 1, 1999, is published on  
 45-14 or after that date.

45-15 (g) The change in law made by Section 43.0712, Local  
 45-16 Government Code, as added by this Act, applies to an annexation  
 45-17 that occurs before, on, or after the effective date of this Act.

45-18 SECTION 18. The importance of this legislation and the  
 45-19 crowded condition of the calendars in both houses create an  
 45-20 emergency and an imperative public necessity that the  
 45-21 constitutional rule requiring bills to be read on three several  
 45-22 days in each house be suspended, and this rule is hereby suspended.

S.B. No. 89

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President of the Senate

I hereby certify that S.B. No. 89 passed the Senate on  
 March 25, 1999, by a viva-voce vote; May 27, 1999, Senate refused  
 to concur in House amendments and requested appointment of  
 Conference Committee; May 28, 1999, House granted request of the  
 Senate; May 30, 1999, Senate adopted Conference Committee Report by  
 a viva-voce vote.

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Speaker of the House

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Secretary of the Senate

I hereby certify that S.B. No. 89 passed the House, with  
 amendments, on May 25, 1999, by a non-record vote; May 28, 1999,  
 House granted request of the Senate for appointment of Conference  
 Committee; May 30, 1999, House adopted Conference Committee Report  
 by a non-record vote.

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Chief Clerk of the House

Approved:

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Date

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Governor

## AN ACT

relating to the authority of municipalities and counties to regulate subdivisions in the extraterritorial jurisdiction of a municipality.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 242.001, Local Government Code, is amended to read as follows:

Sec. 242.001. REGULATION OF SUBDIVISIONS GENERALLY. (a) This section applies only to a county operating under Sections 232.001-232.005 or Subchapter B or C, Chapter 232. Subsections (b)-(e) do not apply:

(1) within a county that contains extraterritorial jurisdiction of a municipality with a population of 1.9 million or more; or

(2) within a county within 50 miles of an international border, or to which Subchapter C, Chapter 232, applies.

(b) For an area in a municipality's extraterritorial jurisdiction, as defined by Section 212.001, a plat may not be filed with the county clerk without the approval of ~~[both]~~ the governmental entity authorized under Subsection (c) or (d) to regulate subdivisions in the area [municipality and the county. However, if one of those governmental entities requires a plat to be filed for the subdivision of a particular tract of land in the ~~extraterritorial jurisdiction of the municipality and the other governmental entity does not require the filing of a plat for that subdivision, the authority responsible for approving plats for the governmental entity that does not require the filing shall issue on request of the subdivider a written certification stating that a plat is not required to be filed for that subdivision of the land. The certification must be attached to a plat required to be filed under this subsection].~~

(c) Except as provided by Subsections (d)(3) and (4), a municipality and a county may not both regulate subdivisions in [in] the extraterritorial jurisdiction of a municipality after an agreement under Subsection (d) is executed. The municipality and the county shall enter into a written agreement that identifies the governmental entity authorized to regulate subdivision plats and approve related permits in the extraterritorial jurisdiction. For a municipality in existence on September 1, 2001, the municipality and county shall enter into a written agreement under this subsection on or before April 1, 2002. For a municipality incorporated after September 1, 2001, the municipality and county shall enter into a written agreement under this subsection not later than the 120th day after the date the municipality incorporates. The municipality and the county shall adopt the agreement by order, ordinance, or resolution. The agreement must be amended by the municipality and the county if necessary to take into account an expansion or reduction in the extraterritorial jurisdiction of the municipality. The municipality shall notify the county of any expansion or reduction in the municipality's extraterritorial jurisdiction. Any expansion or reduction in the municipality's extraterritorial jurisdiction that affects property that is subject to a preliminary or final plat filed with the municipality or that was previously approved under Section 212.009 does not affect any rights accrued under Chapter 245. The approval of the plat or any permit remains effective as provided by Chapter 245 regardless of the change in designation as extraterritorial jurisdiction of the municipality.

(d) An agreement under Subsection (c) may grant the

3-10 authority to regulate subdivision plats and approve related permits  
3-11 in the extraterritorial jurisdiction of a municipality as follows:  
3-12 (1) [~~7~~] the municipality may be granted exclusive  
3-13 jurisdiction to regulate subdivision plats and approve related  
3-14 permits in the extraterritorial jurisdiction and may regulate  
3-15 subdivisions under Subchapter A of Chapter 212 and other statutes  
3-16 applicable to municipalities;  
3-17 (2) [~~7~~ and] the county may be granted exclusive  
3-18 jurisdiction to regulate subdivision plats and approve related  
3-19 permits in the extraterritorial jurisdiction and may regulate  
3-20 subdivisions under Sections 232.001-232.005, Subchapter B or C,  
3-21 Chapter 232, and other statutes applicable to counties;  
3-22 (3) the municipality and the county may apportion the  
3-23 area within the extraterritorial jurisdiction of the municipality  
3-24 with the municipality regulating subdivision plats and approving  
3-25 related permits in the area assigned to the municipality and the  
3-26 county regulating subdivision plats and approving related permits  
3-27 in the area assigned to the county; or  
4-1 (4) the municipality and the county may enter into an  
4-2 interlocal agreement that:  
4-3 (A) establishes one office that is authorized  
4-4 to:  
4-5 (i) accept plat applications for tracts of  
4-6 land located in the extraterritorial jurisdiction;  
4-7 (ii) collect municipal and county plat  
4-8 application fees in a lump-sum amount; and  
4-9 (iii) provide applicants one response  
4-10 indicating approval or denial of the plat application; and  
4-11 (B) establishes a consolidated and consistent  
4-12 set of regulations related to plats and subdivisions of land as  
4-13 authorized by Chapter 212, Sections 232.001-232.005, Subchapters B  
4-14 and C, Chapter 232, and other statutes applicable to municipalities  
4-15 and counties that will be enforced in the extraterritorial  
4-16 jurisdiction [~~7~~ If a municipal regulation conflicts with a county  
4-17 regulation, the more stringent provisions prevail].  
4-18 (e) [~~4~~] In an unincorporated area outside the  
4-19 extraterritorial jurisdiction of a municipality, the municipality  
4-20 may not regulate subdivisions or approve the filing of plats,  
4-21 except as provided by The Interlocal Cooperation Act, Chapter 791,  
4-22 Government Code [~~7~~Article 4413(32c), Vernon's Texas Civil  
4-23 Statutes].  
4-24 (f) This subsection applies until an agreement is reached  
4-25 under Subsection (d). For an area in a municipality's  
4-26 extraterritorial jurisdiction, as defined by Section 212.001, a  
4-27 plat may not be filed with the county clerk without the approval of  
5-1 both the municipality and the county. If a municipal regulation  
5-2 and a county regulation relating to plats and subdivisions of land  
5-3 conflict, the more stringent regulation prevails. However, if one  
5-4 governmental entity requires a plat to be filed for the subdivision  
5-5 of a particular tract of land in the extraterritorial jurisdiction  
5-6 of the municipality and the other governmental entity does not  
5-7 require the filing of a plat for that subdivision, the authority  
5-8 responsible for approving plats for the governmental entity that  
5-9 does not require the filing shall issue on request of the  
5-10 subdivider a written certification stating that a plat is not  
5-11 required to be filed for that subdivision of the land. The  
5-12 certification must be attached to a plat required to be filed under  
5-13 this subsection.  
5-14 (g) Subsection (f) applies to a county and area to which  
5-15 Subsections (b)-(e) do not apply.

5-16

SECTION 2. This Act takes effect September 1, 2001.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 1445 was passed by the House on April 25, 2001, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1445 on May 24, 2001, by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 1445 was passed by the Senate, with amendments, on May 21, 2001, by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

\_\_\_\_\_  
Governor

S.B. No. 1867

1-1 AN ACT  
 1-2 relating to the filing of an amended subdivision plat with a county  
 1-3 to correct certain errors or omissions and to other county  
 1-4 regulations of subdivisions.  
 1-5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-6 SECTION 1. Subchapter A, Chapter 232, Local Government  
 1-7 Code, is amended by adding Section 232.011 to read as follows:  
 1-8 Sec. 232.011. AMENDING PLAT. (a) The commissioners court  
 1-9 may approve and issue an amending plat, if the amending plat is  
 1-10 signed by the applicants and filed for one or more of the following  
 1-11 purposes:  
 1-12 (1) to correct an error in a course or distance shown  
 1-13 on the preceding plat;  
 1-14 (2) to add a course or distance that was omitted on the  
 1-15 preceding plat;  
 1-16 (3) to correct an error in a real property description  
 1-17 shown on the preceding plat;  
 1-18 (4) to show the location or character of a monument  
 1-19 that has been changed in location or character or that is shown  
 1-20 incorrectly as to location or character on the preceding plat;  
 1-21 (5) to correct any other type of scrivener or clerical  
 1-22 error or omission of the previously approved plat, including lot  
 1-23 numbers, acreage, street names, and identification of adjacent  
 1-24 recorded plats; or  
 2-1 (6) to correct an error in courses and distances of lot  
 2-2 lines between two adjacent lots if:  
 2-3 (A) both lot owners join in the application for  
 2-4 amending the plat;  
 2-5 (B) neither lot is abolished;  
 2-6 (C) the amendment does not attempt to remove  
 2-7 recorded covenants or restrictions; and  
 2-8 (D) the amendment does not have a material  
 2-9 adverse effect on the property rights of the other owners of the  
 2-10 property that is the subject of the plat.  
 2-11 (b) The amending plat controls over the preceding plat  
 2-12 without the vacation, revision, or cancellation of the preceding  
 2-13 plat.  
 2-14 (c) Notice, a hearing, and the approval of other lot owners  
 2-15 are not required for the filing, recording, or approval of an  
 2-16 amending plat.  
 2-17 SECTION 2. Subchapter B, Chapter 232, Local Government  
 2-18 Code, is amended by adding Section 232.044 to read as follows:  
 2-19 Sec. 232.044. AMENDING PLAT. The commissioners court may  
 2-20 approve and issue an amending plat under this subchapter in the same  
 2-21 manner, for the same purposes, and subject to the same related  
 2-22 provisions as provided by Section 232.011.  
 2-23 SECTION 3. Subchapter C, Chapter 232, Local Government  
 2-24 Code, is amended by adding Section 232.081 to read as follows:  
 2-25 Sec. 232.081. AMENDING PLAT. The commissioners court may  
 2-26 approve and issue an amending plat under this subchapter in the same  
 2-27 manner, for the same purposes, and subject to the same related  
 3-1 provisions as provided by Section 232.011.  
 3-2 SECTION 4. Subsection (b), Section 232.101, Local  
 3-3 Government Code, is amended to read as follows:  
 3-4 (b) Unless otherwise authorized by state law, a

3-5 commissioners court shall not regulate under this section:  
 3-6 (1) the use of any building or property for business,  
 3-7 industrial, residential, or other purposes;  
 3-8 (2) the bulk, height, or number of buildings  
 3-9 constructed on a particular tract of land;  
 3-10 (3) the size of a building that can be constructed on a  
 3-11 particular tract of land, including without limitation and  
 3-12 restriction on the ratio of building floor space to the land square  
 3-13 footage; ~~or~~  
 3-14 (4) the number of residential units that can be built  
 3-15 per acre of land;  
 3-16 (5) a plat or subdivision in an adjoining county; or  
 3-17 (6) road access to a plat or subdivision in an  
 3-18 adjoining county.

3-19 SECTION 5. Subchapter E, Chapter 232, Local Government  
 3-20 Code, is amended by adding Sections 232.108 and 232.109 to read as  
 3-21 follows:

3-22 Sec. 232.108. PLAT REQUIREMENTS. (a) The commissioners  
 3-23 court, in addition to having the authority to adopt rules under  
 3-24 Section 232.101 and other authority granted by this chapter, may  
 3-25 impose the plat requirements prescribed by Section 232.023. If the  
 3-26 commissioners court imposes the plat requirements prescribed by  
 3-27 Section 232.023, any rules adopted under Section 232.101 must be  
 4-1 consistent with those requirements.

4-2 (b) If a county imposing the plat requirements prescribed by  
 4-3 Section 232.023 is not described by Section 232.022(a):

4-4 (1) the document required by Section 232.023(b)(6) is  
 4-5 not required to be in Spanish; and

4-6 (2) the plat requirements related to drainage shall be  
 4-7 those authorized by Section 232.003(8) rather than those authorized  
 4-8 by Section 232.023(b)(8).

4-9 Sec. 232.109. FIRE SUPPRESSION SYSTEM. In a subdivision  
 4-10 that is not served by fire hydrants as part of a centralized water  
 4-11 system certified by the Texas Commission on Environmental Quality  
 4-12 as meeting minimum standards for water utility service, the  
 4-13 commissioners court may require a limited fire suppression system  
 4-14 that requires a developer to construct:

4-15 (1) for a subdivision of fewer than 50 houses, 2,500  
 4-16 gallons of storage; or

4-17 (2) for a subdivision of 50 or more houses, 2,500  
 4-18 gallons of storage with a centralized water system or 5,000 gallons  
 4-19 of storage.

4-20 SECTION 6. Section 232.100, Local Government Code, is  
 4-21 repealed.

4-22 SECTION 7. This Act takes effect September 1, 2007.

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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 1867 passed the Senate on April 26, 2007, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendments on May 15, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

I hereby certify that S.B. No. 1867 passed the House, with amendments, on May 9, 2007, by the following vote: Yeas 143, Nays 0, two present not voting.

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Chief Clerk of the House

Approved:

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Date

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Governor



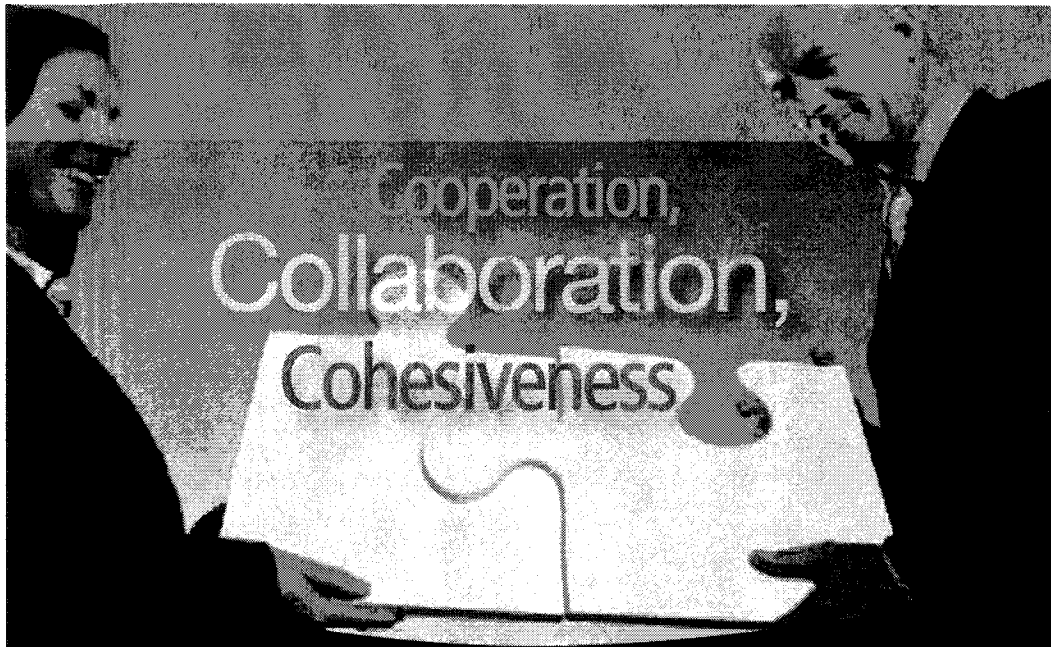
## **Appendix G**



# 2011 City-County Cooperation Award

Working Together for  
a Better Community





The Texas Municipal League (TML) and the Texas Association of Counties (TAC) recognize the importance of interlocal cooperation. The City-County Cooperation Award is designed to recognize Texas cities and counties that are working together to meet the challenges of local governments. Innovative problem-solving, excellence in management, increasing citizen participation, and reaching toward higher service levels are all examples of the ways cities and counties are working together.

This award seeks the best of these programs for public recognition. It is through the recognition of the best of the best that all Texas cities and counties can share and learn from these achievements. Local government in Texas is the best in the nation and deserves recognition!

The competition is designed to allow joint city-county projects to compete with other similar projects throughout the State of Texas. The award will focus on joint projects that encompass a wide variety of innovative, intergovernmental approaches to city and county government management.



2011

# Application Process

The award is open to all members of the Texas Municipal League and the Texas Association of Counties. One nomination can be submitted for each city-county project. Entries must describe programs or projects brought to conclusion or showing significant results between November 1, 2009, and April 29, 2011.

To nominate a project, please submit five copies of a typed or legibly printed document providing the following required information. This document will serve as an official application:

1. Name of the city
2. Name of the county
3. Population of the city
4. Population of the county
5. Title of the project
6. Description of the project, which must answer all eight of the following questions and is limited to 1,200 words or less:
  - Why was the project needed?
  - How did the project accomplish its goal(s)?
  - Who benefited from the project?
  - What was the level of cooperation between the city and county?
  - What time and/or money were saved as a result of the project?
  - What time and/or money were spent on the project?
  - How has the project improved the quality of service and/or livability of the community?
  - What future impact will the project have on the community?
7. Signature of the chief elected or appointed official of the city
8. Printed name of the chief elected or appointed official of the city
9. Signature of the county judge
10. Printed name of the county judge
11. Contact person's name, title, phone number, and e-mail address

Additional information—artwork, brochures, photos, media clippings, videotapes, DVDs, and other similar material—may be submitted but is not necessary. Before submitting videotapes and DVDs, please check them for quality of picture and sound. All material submitted with each entry becomes the property of the Texas Municipal League and the Texas Association of Counties and will not be returned. **NOTE: All material submitted may be summarized and made available to other cities and counties.**

## Award Application Deadline

All entries, including any additional material submitted, must be received in the TML office by 5:00 p.m. on Friday, April 29, 2011.

Entries can be mailed or shipped to:

TML City-County Cooperation Award Program

1821 Rutherford Lane, Suite 400

Austin, Texas 78754-5128

E-mail and fax applications will not be accepted. Entries, including additional material, will not be returned.

The Texas Municipal League and the Texas Association of Counties—as well as their staffs, officers, and Boards—will not be responsible for any lost, delayed, or misdirected award applications.

## Judging Process

Entries will be screened by the staffs of TML and TAC for completeness. Any entries deemed incomplete will be excluded from consideration.

Final judging will be conducted by an independent panel of judges with considerable experience in the areas of city and county government. The judging will take place in Austin and will be closed to the public.

Judges will be asked to evaluate the following aspects of each entry:

- Is the application complete, and is all the required information provided?
- Is the project innovative?
- Did the project achieve its goal(s)?
- What is the long-term value of the project?
- Can the project be adopted by others?

City-County Cooperation Award

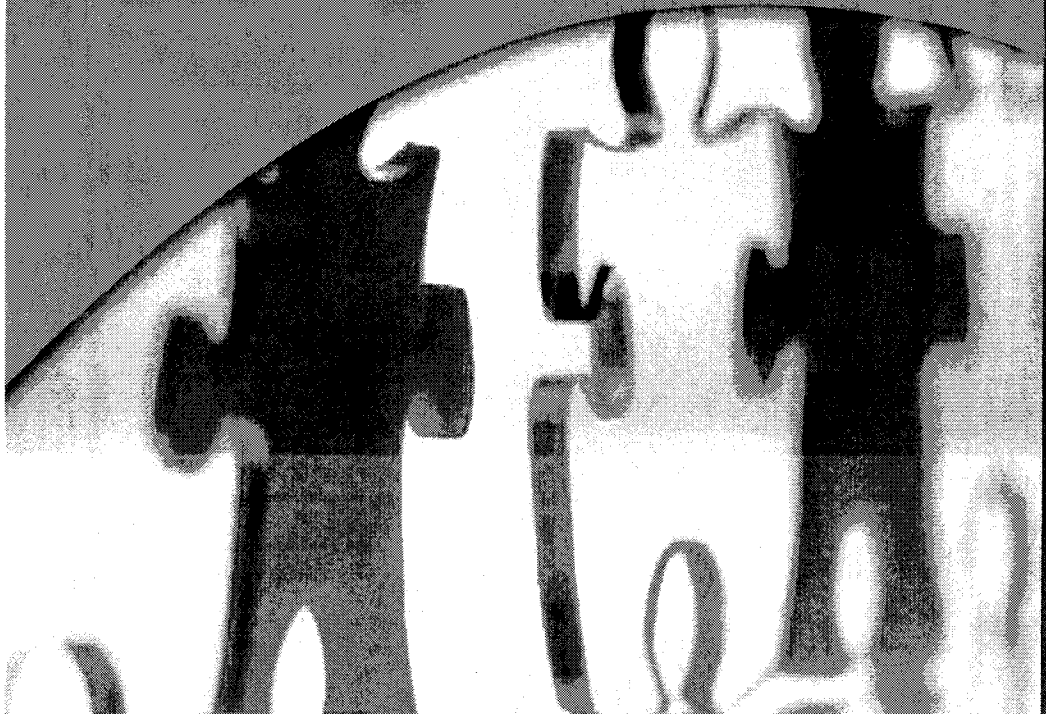
2011

## Announcement of Winners

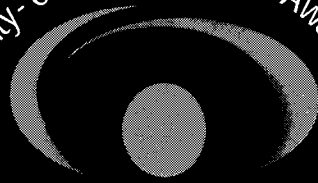
All winning applicants will be notified on or before June 17, 2011. The winners will be featured in a future issue of both *Texas Town & City* magazine and *County Magazine*. In addition, the winners will be recognized at: (1) the Texas Association of Counties Annual Conference and Trade Show on August 28-30, 2011, in Austin; (2) the Texas Association of Regional Councils Texas Conference on Regionalism on September 14-16, 2011, in Fort Worth; and (3) the Texas Municipal League Annual Conference and Exhibition on October 11-14, 2011, in Houston.

## Additional Information

Additional information about the City-County Cooperation Award can be obtained by calling Rachael Pitts in the TML office at 512-231-7400 or Elna Christopher in the TAC office at 512-478-8753.



City - County Cooperation Award



2011

**City-County Cooperation Award Winners for 2006****City of Somerville and Burleson County**

The City of Somerville and Burleson County health resource center has improved access to health care in more than 2,000 cases, provided over 500 van transports to facilities, and saved taxpayers money by decreasing the number of expensive hospital emergency room visits by the uninsured. Located at the southern end of Burleson County, Somerville lacked health care services, particularly for the lower-income population. The county, city, and Somerville school district joined forces to open the health resource center, where numerous providers make available health services that previously were out of reach for many.

**City of Weatherford and Parker County**

The City of Weatherford and Parker County special crimes unit has made 370 major crime arrests and taken more than \$1.7 million worth of illegal drugs off the streets. The county and city stepped in to plug a gap in law enforcement that occurred in 2005 with the disbanding of a multi-county crime task force due to a loss of state funding. Using five officers, the new city-county special crimes unit has been successful in felony drug cases and theft rings, improving the community's environment for doing business and raising families.



## City-County Cooperation Award Winners for 2007

### Titus County and the City of Mount Pleasant

**Titus County and the City of Mount Pleasant** are being honored for their “Keep Titus County Moving” project to build a traffic loop around Mount Pleasant. These two local governments recognized that there were growing traffic problems with more and more vehicles moving through Mount Pleasant to Interstate 30—more than 30,000 vehicles a day. The Texas Department of Transportation (TxDOT) recognized the problem, too, and identified a loop as a priority—but it would have to be 25 to 30 years in the future, due to the long list of TxDOT needs. The county and city could not wait that long, so they teamed up and made use of a constitutional amendment that allows TxDOT to use “pass-through financing” for road projects. Under such pass-throughs, cities or counties use local bonding authority to fund transportation projects, and TxDOT may pay them back, based on projected use. A city-county task force estimated the loop would cost \$168 million; Titus County agreed to build the loop and negotiate reimbursement from the state, and Mount Pleasant pledged \$4 million for construction and assigned key staff to participate. In the fall of 2006, TxDOT approved the agreement and promised to reimburse Titus County \$168 million over a 20-year period. By joining forces, Titus County and Mount Pleasant became the first approved rural pass-through project in the state. Construction should begin in 2009—much faster than the 25 to 30 years it would have taken the state to act.

### Williamson County and the cities of Cedar Park, Hutto, Leander, and Round Rock

**Williamson County and the cities of Cedar Park, Hutto, Leander, and Round Rock** are being honored for “The Williamson County Regional Animal Shelter.” In September 2004, Williamson County began looking for a fiscally responsible way to build an animal shelter. Several cities in the county recognized that they had a similar need, so they soon joined in the discussion about such a shelter. In November 2006, Williamson County, Cedar Park, Hutto, Leander, and Round Rock agreed to partner in accomplishing this goal. The group wanted to build an efficient, fiscally responsible facility that offered an enjoyable and safe environment for all Williamson County residents and animals while providing a high level of both customer service and animal care. As a result of the combined efforts and financial support of these entities, the Williamson County Regional Animal Shelter opened in March 2007. A secondary phase is planned for future expansion, and new programs are underway to offer low-cost services to citizens. A county-wide registration program is also being considered to increase public awareness about responsible pet ownership and to help ensure the safe return of lost pets to their homes. This project benefits both the cities and the county not only by providing a higher level of service to the community and animals while saving tax dollars, but also by reducing the amount of services that would have been duplicated if each group had built and staffed its own facility.

## City-County Cooperation Award Winners for 2008

### **Parker County and the City of Weatherford**

Parker County and the City of Weatherford are being honored for the jointly operated Weatherford/Parker County Animal Shelter. After years of operating an animal shelter on its own, the City of Weatherford was faced with a demand for services that was rapidly outgrowing the facility's capacity. Due to population growth, Parker County shared that need for expanded shelter services, and the two local governments began jointly operating an animal shelter in 2000. Since then, major innovations have occurred. The shelter began operating a spay-and-neuter program in 2001 and a microchip program in 2004. Several local business and citizen partnerships have resulted in a building improvement fundraising effort that has raised more than \$361,000 and the donation of a mobile adoption center. Through the funds raised, a new building was completed in 2007 to increase the shelter's capacity, and construction on another new building begins this year. Today, the shelter houses 77 dog kennels, 20 cat kennels, a horse barn, an office, and a spay-neuter clinic. The shelter takes in approximately 7,000 dogs and cats a year, and during 2007, approximately 1,800 animals were spayed and neutered through the on-site program. By combining their shelter services, the county and city have been able to expand animal control work and shelter functions, minimize costs, and eliminate duplicate services. The cooperative efforts of Parker County and the City of Weatherford have made a greater positive impact than the jurisdictions could have done individually, and together they will continue to develop new and innovative programs to benefit their citizens and the animals in their care.

### **Bexar County and the City of San Antonio**

Bexar County and the City of San Antonio are being honored for their transition to a consolidated preventive public health care service system. The idea began in 2004 when a citizens' commission concluded that more efficient, effective, prevention-focused services could be delivered by a partnership between the city and county health services. The commission recommended consolidating the San Antonio Metro Health District and the Bexar County Hospital District. In addition to the recommendation of the citizen's commission, the increased demand for health services, high rates of preventable disease, rising health care costs, and demands for health system collaboration in emergency response scenarios established a sense of urgency for collaboration between the two local entities. By amending an existing interlocal agreement, the work began in the fall of 2006 and has proven very successful. The consolidated preventive public health care service system obtained joint grants for breast and cervical cancer screenings and implemented shared electronic patient appointment systems. Other services include prenatal care, family planning, well-child screenings, and senior health screenings. The results are faster service for patients, increased efficiency for physicians, an end to the duplication of services, and a savings in taxpayers' money thanks to the lack of duplication and reduced demand for costly emergency and acute care services. The consolidation of services has formed a critical foundation for continued partnerships and synergy between the county and city. New collaborative efforts including expanded oral health services, integration of radiology systems for tuberculosis treatment, and coordinated physician education are already in development.

## City-County Cooperation Award Winners for 2009

### Wise County, the City of Bridgeport, and the City of Decatur

Wise County, the City of Bridgeport, and the City of Decatur are honored for their successful cooperative efforts to bring a branch campus of Weatherford College to Wise County. The project grew out of an expanding need for college-level classes offered by Weatherford College. Classes were initially offered at local high schools and then in a former Wal-Mart building. By 2005, the need was greater than the facilities could handle. The Wise County Commissioners Court named a steering committee to study the feasibility of locating a new campus in the county. At the same time the steering committee was meeting, Weatherford College sought approval from the Texas Higher Education Coordinating Board to build a branch campus in Wise County, with the okay granted in January 2008. The Wise County Commissioners Court called an election for November 4, 2008, to ask voters to approve a maximum five-cent branch campus maintenance tax as a method of financing a new campus. A political action committee was formed by interested citizens and businesses. The political action committee raised about \$7,000 to promote the bond election and members embarked on speaking engagements to civic and business groups to support the project. Both major newspapers in the county, the Wise County Messenger and the Bridgeport Index, supported the project editorially. On election day, the voters approved the maintenance tax. The 35-acre tract that will be home to the new campus is owned by Wise County, with a long-term lease with the college to cover debt repayment, operation, and maintenance of the facility. By combining the efforts of two cities and the county, the possibility was eliminated that either city would mount an expensive campaign to have the proposed new branch campus in their city. The willingness of the Wise County Commissioners Court to take a leading role in the project eliminated the necessity of creating another government entity to manage the construction of the branch campus. The collaboration is a positive asset for the entire county and its residents.

### Dallas County and the City of Irving

Dallas County and the City of Irving are honored for their successful cooperative efforts to create and develop the Irving Health Center. The project was spearheaded by Dallas County, the City of Irving, the Parkland Health and Hospital System, the Baylor Medical Center at Irving, the Dental Health Programs, the Irving Housing and Human Services Board, and the U.S. Department of Housing. Studies beginning in the 1990s showed that there were nearly 87,000 Irving residents classified as indigent or on Medicare or Medicaid, with 26 percent of the population at or below 200 percent of the federal poverty level. Residents were going without primary medical care and relying on expensive emergency room services when their health conditions deteriorated to serious or critical levels. The end result to taxpayers was a hefty bill for expensive emergency room services, which often could have been avoided if their health conditions had been diagnosed and treated earlier. Beginning in 2004 with an interlocal agreement, the project team from each entity worked on opening the health center. The facility opened its doors in August 2007, and since then, it has been able to provide primary care, manage chronic diseases like diabetes and heart problems, and provide immunizations at a low cost. The health center also provides dental care, nutrition counseling, women's health services, mental health services, and a today clinic for walk-in patients. And the collaborative effort to improve and expand the center continues today. The center will soon be home to a pharmacy, smoking cessation classes, diabetes classes, and expanded lab and x-ray services. Since opening, the Irving Health Center has serviced 11,019 unduplicated patients with 33,116 visits. Last year alone, the center provided care during 19,000 patient visits, which includes primary care and women's health services. Community outreach efforts educating residents about disease prevention and the services available at the health center are ongoing, and officials hope to reach full capacity of approximately 80,000 to 90,000 visits each year in the coming years. From immunizations to treatments for highly contagious illnesses, the Irving Health Center serves residents of all ages and backgrounds, while at the same time saving taxpayer dollars.

## City-County Cooperation Award Winner for 2010

### Angelina County and the City of Lufkin

The City of Lufkin and Angelina County have been named winners of the 2010 Texas Municipal League and Texas Association of Counties City-County Cooperation Award. The city and county are being honored for their successful collaboration on a facility to house evacuees from disasters. The two entities have joined forces to create CADILAC, the Civic and Disaster Infrastructure of Lufkin/Angelina County.

During the planning stages of the project, the city and county determined that the most cost effective method of creating this housing facility would be to design a dual-purpose expansion of the City of Lufkin's existing civic center. Currently, the center shelters medical and special needs evacuees when a disaster strikes. Once the expansion is complete, the facility will also be able to house evacuees from short-term facilities like schools and churches.

In working toward the goal of providing a long-term shelter to evacuees in a time of crisis or emergency, both the city and county have unselfishly collaborated and combined resources. They leveraged \$7.4 million in federal Hurricane Ike Disaster funding for the project, with both groups pooling the Ike funding each received rather than spending the money on separate projects and purchases. The city owns the civic center, whereas the bulk of the funding for the project will come from Angelina County. Once the expansion is complete, the facility will be maintained and operated by the City of Lufkin when it is not being used as a shelter.

The city and county are well on their way to completing the facility. With showers, restrooms, telecommunications, and the ability to separate large rooms into smaller spaces, CADILAC will offer a consolidated sheltering facility for up to 1,000 short-term evacuees and 350 long-term evacuees. As the City of Lufkin and Angelina County continue to partner in sharing responsibilities and cost, they will succeed in providing a needed service not only to the community, but also to anyone who might be affected by a disaster.

## **Appendix H**

**EXAMPLES OF VARIATIONS IN GRANTS OF AUTHORITY -  
SPECIAL LAW MUNICIPAL MANAGEMENT DISTRICTS: 77TH - 81ST LEGISLATURES**

<b>AUTHORITY GRANTED (X indicates language used during session)</b>					
<b>SPECIFIC AUTHORITY - ECONOMIC DEVELOPMENT</b>					
	77TH SESSION	78TH SESSION	79TH SESSION	80TH SESSION	81ST SESSION
Authority that Chapter 505, Local Government Code, provides a corporation created under that Chapter	X	X	X	X	X
Variation: Authority under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) ***					
Variation: Authority that Chapter 505, Local Government Code, provides a corporation created under that chapter and the authority of a municipal development district under Chapter 377, Local Government Code					
*** Article 5190.6, Vernon's Texas Civil Statutes codified into Chapter 505, Local Government Code.					
Authority to create a non-profit corporation that is considered to be a corporation created under Chapter 431, Transportation Code and authorizes the board members to serve in the same manner as a board of directors of a local government corporation under that Chapter	X	X	X	X	X
Economic development authority that Chapter 380, Local Government Code, provides to a municipality	X	X	X	X	X
Variation: Economic development authority that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and that Chapter 1509, Government Code, provides to any municipality					
Variation: Economic development authority that Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and that Chapter 1509, Government Code, provides to any municipality except the district may not create the programs or exercise the powers provided by Subchapter E					
Authority to create and define economic development zones within the district boundaries and create "venue" projects within these zones				X	
Authority to exercise the powers given to a housing finance corporation created under Chapter 394, Local Government Code to provide housing or residential development projects in the district	X	X	X	X	X
Authority to exercise the powers given to a sports facility district under Chapter 325, Local Government Code				X	X
Variation: Authority to construct and operate a sports venue					
Authority that Subchapter A, Chapter 372, Local Government Code, provides a municipality or a county			X	X	X
Authority to construct or finance an education facility to benefit the district			X		X
Eligibility for inclusion of district property into special zones (example TIF, TIRZ)		X	X	X	X

**EXAMPLES OF VARIATIONS IN GRANTS OF AUTHORITY -  
SPECIAL LAW MUNICIPAL MANAGEMENT DISTRICTS: 77TH - 81ST LEGISLATURES**

<b>AUTHORITY GRANTED (X indicates language used during session)</b>	<b>77TH SESSION</b>	<b>78TH SESSION</b>	<b>79TH SESSION</b>	<b>80TH SESSION</b>	<b>81ST SESSION</b>
<b>SPECIFIC AUTHORITY - TRANSPORTATION</b>					
Authority of a road district created under Chapter 257, Transportation Code; and road utility district created under Chapter 441, Transportation Code		X	X	X	X
Authority to build and operate rail facilities					X
Authority to acquire, construct, own, operate, and maintain a public transit system or parking facilities within the district and provides that the facilities are tax exempt		X	X	X	X
Variation: Authority to acquire, construct, own, operate, and maintain a public transit system or parking facilities within the district ****					
**** Facility exemption language removed during the 81st Session.					
Authority to acquire air rights and construct improvements on property on which it owns only air rights				X	X
<b>SPECIFIC AUTHORITY - TAXATION</b>					
Authority to impose a sales and use tax after an election	X	X	X	X	X
Authority to impose a hotel occupancy tax	X		X	X	X
Authority under Chapter 311, Tax Code		X		X	X
Variation: All the powers provided by Chapter 311, Tax Code including the authority to create a tax increment reinvestment zone under that Chapter					
Variation: Powers provided under Chapter 311, Tax Code, including authority to designate all or any part of the district as a tax increment reinvestment zone and use tax increment financing					
Authority to grant, in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district		X	X	X	X
Variation: Ability to enter into a tax abatement agreement in accordance with the general laws of municipalities					
<b>SPECIFIC AUTHORITY - PUBLIC SAFETY</b>					
Authority to contract with law enforcement		X	X	X	X
Variation: Authority to contract for public safety services (includes EMS)					
Authority to provide EMS and firefighting services consistent with the authority of MUDs				X	X

**EXAMPLES OF VARIATIONS IN GRANTS OF AUTHORITY -  
SPECIAL LAW MUNICIPAL MANAGEMENT DISTRICTS: 77TH - 81ST LEGISLATURES**

<b>AUTHORITY GRANTED (X indicates language used during session)</b>	<b>77TH SESSION</b>	<b>78TH SESSION</b>	<b>79TH SESSION</b>	<b>80TH SESSION</b>	<b>81ST SESSION</b>
<b>SPECIFIC AUTHORITY - ADMINISTRATIVE/MISCELLANEOUS</b>					
All powers necessary or required to accomplish the purposes for which the district was created	X	X	X	X	X
Implementation of a project is considered to be a governmental function or service for the purposes of Chapter 791, Government Code	X	X	X	X	X
Authority that Chapter 1371, Government Code, provides an issuer					X
Authority to require permits or charge fees for concession and use of district property	X	X	X		X
Allows for membership in charitable organizations		X	X	X	X
Authority to divide, if the district is not imposing ad valorem taxes				X	
Variation: Authority to divide, with municipal approval, if the district is not imposing ad valorem taxes					
Authority to consolidate with other MMDs *****					X
***** Legislation passed during the 81st Session allowing MMDs in Harris County to consolidate.					



## **Appendix H-1**

**POWERS AND AUTHORITIES FREQUENTLY GRANTED TO LEGISLATIVELY CREATED MUNICIPAL MANAGEMENT DISTRICTS (MMDs)**

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Water, Sewer and Drainage</u></p> <p>The power to construct, finance, operate, and maintain water, sewer and drainage facilities.</p>	<ul style="list-style-type: none"> <li>• Article XVI, Section 59, Texas Constitution</li> <li>• Chapter 54, Water Code (MUDs)</li> <li>• Chapter 49, Water Code (water districts)</li> </ul>	<p>All MMDs created to facilitate raw land development need the authority to develop water, sewer and drainage infrastructure. MMDs created to redevelop or revitalize existing neighborhoods may need to bring water, sewer or drainage improvements to underserved areas or to upgrade or replace existing, inadequate or failing water, sewer or drainage improvements.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>The East Aldine Management District undertakes an extensive program of bringing regionalized water and sewer improvements to underserved residential areas of urban Harris County. Homes are connecting to centralized water and sewer service for the first time. To date, more than 400 homes have been converted from septic systems to direct connections to a new sanitary sewer collection system. The effort is a joint collaboration between the district and Harris County. The MMD has issued \$9 million bonds to continue the build-out of the system, with anticipated connections over the next 10 years of 2,000 more homes.</p> <p>All raw land development MMDs will develop water, sewer and drainage facilities to serve the development. Examples include:</p> <ul style="list-style-type: none"> <li>• HCID<sup>1</sup> No. 8, which is constructing the water, sewer and drainage to redevelop the former Astroworld site.</li> <li>• Galveston County Management District No. 1, which is constructing the water, sewer and drainage to serve a new commercial area of League City.</li> </ul>

<sup>1</sup> HCID = Harris County Improvement District

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<ul style="list-style-type: none"> <li>• Chambers County Improvement District No. 2 solely serves commercial development. Construction contracts for water, sewer, and drainage facilities have been let to serve an industrial rail yard facility to be developed.</li> <li>• Prosper Management District No. 1 will finance and construct water, sewer, and drainage projects to serve an approximately 650 acre commercial development in the Town of Prosper in Denton County.</li> <li>• Cypress Waters Management District, by agreement with the City of Dallas, will finance reimbursements to the developer for \$25 million of water and wastewater infrastructure extensions to allow the development of more than 800 acres into a mixed use commercial and residential development. This effort will be joint collaboration between the City of Dallas and the district. Reimbursements will be financed through the creation of a tax increment reinvestment zone (TIRZ) overlaid on the district.</li> </ul> <p>MMDs that make road improvements will often need to make water, sewer, and drainage improvements associated with the roadway. For example, if an existing road is widened or reconstructed, the water and</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Parks and Recreation</u></p> <p>The power to construct, finance, operate, and maintain parks and recreational facilities.</p>	<ul style="list-style-type: none"> <li>• Article XVI, Section 59, Texas Constitution</li> <li>• Chapter 54, Water Code (MUDs)</li> <li>• Chapter 49, Water Code (water districts)</li> </ul>	<p>Almost all MMDs will use park powers. Some MMDs will develop new parks and recreational facilities; others will enhance existing parks. Almost all MMDs will beautify and landscape public rights-of-way.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>sewer utilities located under the road often need improvement.</p> <p>Most MMDs fund extensive programs to construct and maintain public parks, landscaping, beautification and public art in their areas. Prominent examples include:</p> <ul style="list-style-type: none"> <li>• HCID No. 1 (Uptown) has developed several pocket parks to green-up the Uptown area.</li> <li>• Houston Downtown Management District is funding the redevelopment and maintenance of the historic Market Square Park and is also funding some maintenance activities associated with Discovery Green in front of the George R. Brown Convention Center.</li> <li>• Westchase District has funded a number of linear parks.</li> <li>• HCID No. 3 (Upper Kirby) recently completed the renovation of Levy Park.</li> <li>• Midtown Management District has improved and is maintaining Baldwin Park to provide recreational and park amenities to newly relocated residents to Midtown.</li> <li>• Greater Southeast Management District helped finance and has assumed maintenance responsibilities for Peggy Park in the historic Alameda corridor of Houston's Third Ward.</li> <li>• Cypress Waters Management District</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>will undertake the maintenance of green space improvements to the master planned development.</p> <p>Many other MMDs embark on programs to remove litter and clean up public areas and rights-of-way and abate graffiti. Notable examples include:</p> <ul style="list-style-type: none"> <li>• Houston Downtown Management District;</li> <li>• Greater East End Management District;</li> <li>• Greater Northside Management District;</li> <li>• Near Northwest Management District;</li> <li>• Midtown Management District;</li> <li>• Brays Oaks Management District;</li> <li>• East Downtown Management District;</li> <li>• Greater Southeast Management District;</li> <li>• Greater Sharpstown Management District;</li> <li>• Spring Branch Management District;</li> <li>• East Aldine Management District; and</li> <li>• International Management District.</li> </ul> <p>Several MMDs have worked to acquire blighted properties and turn them into public parks for the community.</p> <ul style="list-style-type: none"> <li>• Greenspoint District was an early pioneer of converting blighted properties into public parks.</li> <li>• In Brays Oaks Management District, a former multi-family site at Airport and</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>Fondren has been demolished and will be converted into a 4 acre park. Drainage facilities and trails that connect to the Willow Water Hole and Brays Bayou have also been targeted for redevelopment. The district has undertaken a capital campaign of \$15 million to finance the regional park and drainage improvements simultaneously.</p> <p>Numerous MMDs have worked with Harris County, the City of Houston, and the Texas Department of Transportation (TxDOT) to beautify right-of-way during the construction or reconstruction of roads and highways. For example,</p> <ul style="list-style-type: none"> <li>• HCID No. 4 (Energy Corridor), worked with TxDOT during the reconstruction of the Katy Freeway;</li> <li>• HCID No. 1 (Uptown) worked with TxDOT during the reconstruction of the I-610 West Loop;</li> <li>• Westchase District worked with the Harris County Toll Road Authority during the construction of the West Beltway 8 /Sam Houston Toll Road and TxDOT during the reconstruction of Westheimer Road; and</li> <li>• Greater Sharpstown Management District in concert with the TIRZ for the area has entered into an agreement with Harris County Toll Road Authority to</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Roads and Mobility</u></p> <p>The power to construct, finance, operate, and maintain streets and roads.</p>	<ul style="list-style-type: none"> <li>• Article III, Section 52, Texas Constitution</li> <li>• Various chapters of the Transportation Code, including Chapter 441, Transportation Code (road utility districts)</li> </ul>	<p>All MMDs created to facilitate raw land development need the authority to develop roads. MMDs serving major activity centers often facilitate road improvements to encourage mobility and alleviate congestion. MMDs created to redevelop or revitalize existing neighborhoods may need to develop new roads or to upgrade or replace existing, inadequate roads. Almost all MMDs develop new and enhance existing pedestrian</p>		<p>finance and maintain \$2 million in landscaping and hardscape improvements to the underpass and intersection at Bellaire Blvd. and Beltway 8.</p> <p>All MMDs created to facilitate raw land development will build parks and landscape rights-of-way as the property develops, without the difficulty of retrofitting such improvements at a later date.</p>
		<p>All MMDs created to facilitate raw land development need the authority to develop roads. MMDs serving major activity centers often facilitate road improvements to encourage mobility and alleviate congestion. MMDs created to redevelop or revitalize existing neighborhoods may need to develop new roads or to upgrade or replace existing, inadequate roads. Almost all MMDs develop new and enhance existing pedestrian</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>HCID No. 1 (Uptown) has a well established program of constructing new roads and improving existing roads. Much of the district's work is in conjunction with a TIRZ serving the area. The district is using federal grant money to bring pedestrian facilities on sidewalks and at intersections into ADA compliance. Ribbon cutting on the newly expanded San Felipe Blvd., a multi-million dollar infrastructure project was just completed. The project also included property acquisition for right-of-way expansion, underground drainage, and the burying of overhead power lines along the corridor.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
		facilities.		<p>HCID No. 3 (Upper Kirby), in conjunction with the City of Houston and a TRZ serving the area, is improving portions of Kirby Drive and the related pedestrian facilities.</p> <p>Greater East End Management District, by contracting with METRO, will pay to have METRO install intersection enhancements along the light rail corridor. In addition, the District has secured \$5,000,000 in federal funds (ARRA) to construct sidewalks and install enhancements to increase mobility.</p> <p>All MMDs created to facilitate raw land development will construct the roads and sidewalks to serve the development.</p> <p>East Aldine Management District helped construct and finance a sidewalk project serving East Aldine Mail Route. The \$3.5 million project also included drainage culverts along the corridor. The project was a joint collaboration between the district and TxDOT, who provided \$600,000 in grant funding for the project.</p>



POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>Spring Branch Management District and Greater Sharpstown Management District have entered into interlocal agreements with the City of Houston for joint participation in road improvement projects serving their districts.</p> <p>Greater Sharpstown District also has contracted with the City of Houston Parks Department through its "Adopt an Esplanade Program" to jointly maintain major esplanades in the district. The improvements are part of a larger plan of public right-of-way capital improvements undertaken by the overlapping TIRZ.</p> <p>Tornillo Management District will finance the construction of a road system to serve a commercial and industrial warehouse development at a new point of entry into Texas from Mexico southeast of El Paso. The district may also finance the construction of a rail spur providing rail access for the project from adjacent existing railroad lines. This project is a major economic development in the region.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Transit and Parking</u></p> <p>The power to construct, finance, operate, and maintain transit systems and parking facilities and the power to contract with other governmental agencies for transit service and facilities.</p>	<ul style="list-style-type: none"> <li>• Article II, Section 52-a, Texas Constitution</li> <li>• Various chapters of the Transportation Code</li> </ul>	<p>A challenge for many MMDs is promoting mobility and alleviating traffic congestion. Encouraging transit is often a critical component of a successful transportation plan. MMDs work cooperatively with local, state and federal transportation and transit agencies to provide improved transit options to and within their areas. This may take the form of extending current services (such as bus services), developing new services (such as new light rail lines), encouraging car-pooling and other commuting programs, or participating in park and ride facilities or other multi-modal transit centers. Transit stations then become a great opportunity for successful new development, often referred to as "transit oriented development." Adequate parking facilities are critical to development, and whether or not coupled with transit improvements, are important pieces of the transportation puzzle.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>HCID No. 4 (Energy Corridor) received a Federal Transportation Agency grant to provide local connector bus service in the district. The district provides a local match and contracts with METRO to provide the bus service. The district is optimistic that the bus service will be established as permanent service after the grant period.</p> <p>Greenspoint District received a federal grant to provide local connector bus service. The district contracted with a bus service provider and operated a connector route from Greenspoint Mall, through the apartment complexes in the district to George Bush Intercontinental Airport. The route was successful, and METRO now provides bus service for this route with some minor changes. This route provides a much needed connection for air passengers to use during layovers to reach the Mall and for airport workers who live in the apartment complexes in the district.</p> <p>HCID No. 1 (Uptown) has a long history of working cooperatively with METRO on transit services to the Uptown area.</p> <p>HCID No. 8 (former Astroworld) and HCID No. 12 (Buffalo Lakes) are near the southern terminus of Houston's existing light rail line. Both of these districts may work</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>cooperatively with METRO to extend this line and to develop other transit improvements, such as parking facilities.</p> <p>HCID No. 13 and HCID No. 14 are along the State Highway 290 corridor, an area ripe for commuter transit service. These districts intend to work cooperatively with METRO and other agencies to facilitate transit service and provide local infrastructure and facilities, such as parking facilities.</p> <p>Sienna Plantation Management District is negotiating with METRO for a possible park and ride facility to serve residents of this 10,000-acre master planned community.</p> <p>Houston Downtown Management District, in collaboration with the TIRZ serving the area, is maintaining and supporting parking garage facilities associated with the Houston Pavilions commercial and retail development in Downtown Houston.</p> <p>Galveston County Management District No. 1 is considering making economic development grants to attract major new commercial and industrial projects to the district.</p>
<p><u>Economic Grants and Loans</u></p> <p>The power to establish economic development and to make</p>	<ul style="list-style-type: none"> <li>• Article III, Section 52-a, Texas Constitution</li> <li>• Chapter 380, Local Code (municipal economic development grants)</li> </ul>	<p>Economic development grants have become the preferred method of economic development for many cities and counties. Economic development grants are more</p>	<p>This power is not currently granted through Chapter 375, Local Government Code. (Chapter 375 was written prior to the general acceptance and wide use of economic</p>	

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p>grants and loans of public money for economic development.</p>	<ul style="list-style-type: none"> <li>Less frequently, Chapter 381, Local Government Code (county economic development grants) and Chapter 1509, Local Government Code (certain types of municipal bonds)</li> </ul>	<p>flexible and can be better targeted to the particular economic development needs of an area. MMDs serve a primary economic development mission. All MMDs are created to stimulate commerce, alleviate unemployment or underemployment and increase property values. MMDs need the ability to make grants to promote economic development.</p>	<p>development grants. The law on municipal economic development grants has only recently been settled.)</p>	<p>HCID No. 16 (Almeda Mall) is in discussions with the City of Houston for the City and the district to provide economic development grants to promote the revitalization of the Almeda Mall and surrounding area.</p> <p>Houston Downtown Management District has provided a myriad of small business assistance grants to encourage the location and development of entertainment focused businesses in the district. Many of the grants further catalyzed the redevelopment of the City's central core.</p> <p>Many MMDs want to sponsor community events, make donations to local charities, or join local business groups and chambers of commerce in furtherance of their economic development mission. The ability to make economic development grants often provides the legal support for such activities. (The Texas Constitution generally prohibits the granting of public funds; economic development grants are the notable exception.)</p> <p>The North Oak Cliff Management District is authorized to establish a program to provide scholarships to area students attending area institutions of higher education.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>Greenspoint District offers small grants to apartment complexes that become Blue Star certified (a safety certification program under the City of Houston) and that install security improvements in the public right of way, as a safe neighborhood is one of the most important factors to attract economic development.</p> <p>East Aldine Management District has a grant program for qualified economic development programs. Past recipients have included the Macedonia Outreach Center (a women's career training center), the Aldine YMCA, the Boy Scouts, the Aldine Youth Organization (providing weekend and afterschool programs for area youth), the Aldine Scholarship Foundation, the Harris County Sheriff's summer youth program, and several local summer basketball camps.</p> <p>Spring Branch Management District has a well developed grant initiative with an annual budget of almost \$90,000. 2010 grants have been made as follows: 10,000 to Memorial Assistance Ministries for school uniforms; \$8,000 to Memorial Assistance Ministries for a summer school program; \$16,000 to Houston Community College to fund 59 students to take a dual credit chemistry class from Northbrook High</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>School; \$20,000 for a Rotary Club back to school health fair; and \$5,000 for a Coalition of Behavior Sciences Family Day Dinner. \$20,000 in grants remains to be awarded.</p> <p>The Woodlands Township (formerly known as Town Center Improvement District) has funded (i) two matching grants of \$250,000 each to Memorial Hermann The Woodlands ("MHTW") to upgrade MHTW's life-flight and cardiac ICU facilities, and (ii) a grant of \$500,000 to The Center For The Performing Arts At The Woodlands, a 501(c)(3) organization, to assist in the rebuilding of The Cynthia Woods Mitchell Pavilion.</p>
<p><u>Membership in Charitable Organizations</u></p> <p>The power to become a member in and pay dues to a charitable organization.</p>	None	<p>Many MMDs want to join local business groups and chambers of commerce in furtherance of their economic development mission. These MMDs want to participate in the functions and events of these groups.</p>	<p>This power is not specifically enumerated in Chapter 375, Local Government Code, although support for such activity might be inferred from various provisions.</p>	<p>Many MMDs want to join local chambers of commerce or regional chambers of commerce (such as the Greater Houston Partnership). A group of districts of Houston collectively granted \$50,000 to the Greater Houston Partnership to provide the districts with economic development support and further initiatives for business development with Partnership support.</p>
<p><u>MMD Powers</u></p> <p>The powers and authorities of municipal management districts.</p>	<ul style="list-style-type: none"> <li>Chapter 375, Local Government Code (MMDs)</li> </ul>	<p>Chapter 375, Local Government Code, is the general law for MMDs. All MMDs need this framework.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>All MMDs use this authority. Typical services provided by MMDs include:</p> <ul style="list-style-type: none"> <li>Security and public safety;</li> <li>Mobility and transportation;</li> <li>Landscaping and beautification;</li> <li>Business recruitment and retention;</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><b><u>Security and Public Safety</u></b>  The power to provide security and public safety services and to contract with other governmental entities for the provision of same.</p>	<ul style="list-style-type: none"> <li>Chapter 375, Local Government Code (MMDs)</li> <li>Chapter 39, Water Code (water districts)</li> </ul>	<p>A key purpose of MMDs is to supplement city and county security and public safety efforts. Major activity centers often require a higher level of policing than provided by the city and county. In neighborhoods needing revitalization, progress can occur only after public safety is established. Even in new communities, property owners place a premium on public safety. The connection between public safety and economic development is well established.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<ul style="list-style-type: none"> <li>Clean up, litter removal and graffiti abatement; and</li> <li>Working with other governmental agencies to better plan and program governmental services and improvements.</li> </ul>
				<p>Almost all MMDs, particularly those serving major activity centers or revitalizing neighborhoods, have a program for security and public safety. Most of these MMDs contract with a city or county or directly with off-duty, licensed peace officers, although some use private security companies.</p> <p>Examples of districts with programs include:</p> <ul style="list-style-type: none"> <li>HCID No. 1 (Uptown);</li> <li>Houston Downtown Management District;</li> <li>Westchase District</li> <li>First Colony Management District;</li> <li>Greater East End Management District;</li> <li>HCID No. 4 (Energy Corridor);</li> <li>Greater Northside Management District;</li> <li>Spring Branch Management District;</li> <li>Greater Sharpstown Management District;</li> <li>The Woodlands Township (formerly known as Town Center Improvement</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>District); and</p> <ul style="list-style-type: none"> <li>• International Management District.</li> </ul> <p>Greenspoint District established a public safety center at Greenspoint Mall that now acts the HPD beat station for the area and does away with the 20 - 30 minutes commute from the original beat station to the district. It is operated and maintained by the district at no cost to the City. In addition, the district uses off-duty officers and contracts with Harris County to provide additional security in the area. Finally, the district has received grants (individually and with other entities) to fund security operations to reduce burglaries of motor vehicles.</p> <p>The Greater Sharpstown Management District pioneered the aggressive use of mobile security cameras to further reduce crime in targeted high crime areas with dramatic results. The initiative has resulted in the placement of more than 24 cameras in the district, many of which are now being financed by private property owners who have witnessed the benefit due to the district initiative. The district has also been awarded \$10,000 in grant funding from the federally funded local Weed and Seed initiative to further the development of the security camera program.</p>



POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Economic Development Corporations</u></p> <p>The powers given to a development corporation, including the power to construct, operate, and maintain a project of a development corporation.</p>	<ul style="list-style-type: none"> <li>Chapter 505, Local Government Code (Type B Corporations)</li> <li>Less frequently, Chapter 504, Local Government Code (Type A Corporations)</li> </ul>	<p>Economic Development Corporations (EDCs) are a traditional tool for economic development. The economic development missions of EDCs and MMDs are virtually identical and are complementary.</p>	<p>The EDC statutes are not specifically referenced in Chapter 375, Local Government Code; however, the economic development goals and powers of EDCs and MMDs are substantially similar.</p>	<p>Greater Sharpstown, Brays Oaks and International Management Districts have safety and security committees that provide monthly forums for local law enforcement agencies, area businesses, and area civic and community associations that contract for security services to share information on safety and security issues affecting and impacting the districts. These meetings have resulted in a better coordinated safety effort by all agencies. Special watches have been established in high crime areas.</p> <p>East Aldine Management District has contracted with the Harris County Sheriff's Department to house its special drug and gang task forces within the District. The partnership has led to a greater focus of the task force initiatives in the district helping further enhance the district's efforts for safety and security.</p>
<p><u>Economic Development Corporations</u></p> <p>The powers given to a development corporation, including the power to construct, operate, and maintain a project of a development corporation.</p>	<ul style="list-style-type: none"> <li>Chapter 505, Local Government Code (Type B Corporations)</li> <li>Less frequently, Chapter 504, Local Government Code (Type A Corporations)</li> </ul>	<p>Economic Development Corporations (EDCs) are a traditional tool for economic development. The economic development missions of EDCs and MMDs are virtually identical and are complementary.</p>	<p>The EDC statutes are not specifically referenced in Chapter 375, Local Government Code; however, the economic development goals and powers of EDCs and MMDs are substantially similar.</p>	<p>The City of Dickinson and the City of League City sponsored the creation of districts (Dickinson Management District and League City Improvement District) covering the entirety of the commercial areas of the cities. These two cities are in various stages of discussion of the dissolution of their EDCs and consolidation of functions into the districts. These cities recognize the efficiency of having one entity</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u>Local Government Corporations</u></p> <p>The power to create a Local Government Corporation to aid, assist, and act on behalf of the MMD.</p>	<ul style="list-style-type: none"> <li>Subchapter D, Chapter 431, Transportation Code (local government corporations)</li> </ul>	<p>Cities, counties and certain types of districts can create a special type of nonprofit corporation, known as a "local government corporation" (LGC). An LGC aids, assists, and acts on behalf of the local government entity, typically to finance a stand-alone project. This provision gives an MMD the same power to create an LGC. As a nonprofit corporation, an LGC can apply to the Internal Revenue Service to be designated a 501(c)(3) tax exempt corporation. This is important because many grants are available only to 501(c)(3) corporations.</p>	<p>This power is not currently granted through Chapter 375, Local Government Code.</p>	<p>spearheading economic development efforts.</p> <p>Greenspoint District created an LGC called the Greenspoint Community Partners; Greater East End Management District created the East End Improvement Corporation; Westchase District created the Westchase District Community Fund; and Near Northwest Management District created the Near Northwest Community Improvement Corporation. All these LGCs have received or will soon receive rulings from the IRS that they qualify as 501(c)(3) corporations. A major purpose of these LGCs is to apply for grants and to accept donations to help finance district projects.</p> <p>It is also foreseeable that an MMD would use an LGC the same as other local governments.</p> <ul style="list-style-type: none"> <li>The City of Houston uses LGCs to issue bonds for TIRZ projects.</li> <li>The cruise terminal at the Galveston Wharves is financed through an LGC.</li> <li>Harris County operates Reliant Stadium using an LGC.</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><b><u>Navigation</u></b></p> <p>The power to construct, finance, operate, and maintain navigation improvements.</p>	<ul style="list-style-type: none"> <li>• Article XVI, Section 59, Texas Constitution</li> <li>• Various Water Code chapters, including Chapter 60, Water Code (navigation districts)</li> </ul>	<p>On the Texas Gulf Coast, access to water can be a major asset. Industrial projects need access to and maintenance of shipping channels and canals. Residential projects in bay areas often offer canals for recreational boating winding through the neighborhood.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>HCID No. 15 (Jacinto Port) is created to promote the development of a major new industrial project on the Houston Ship Channel.</p> <p>Harborside Management District was created over a marine industrial area of Galveston Island. The purpose of the district is to work with the U.S. Army Corps of Engineers to deepen the shipping channels to allow larger marine vessels access to the shipyards.</p>
<p><b><u>Enterprise Zone</u></b></p> <p>The power for the area within the MMD to be included in an Enterprise Zone.</p>	<ul style="list-style-type: none"> <li>• Chapter 2303, Local Government Code (Enterprise Zone Act)</li> </ul>	<p>Enterprise Zones are another traditional tool for economic development. Projects in an area designated as an enterprise zone may be eligible for certain state and local tax incentives.</p>	<p>This power is not currently granted through Chapter 375, Local Government Code.</p>	<p>While we are not aware of any MMDs that have pursued enterprise zone projects, the designation of an area eligible for inclusion in an enterprise zone makes it easier for cities to encourage development in these areas.</p>
<p><b><u>Tax Increment Financing</u></b></p> <p>The power for the area within the MMD to be included in a Tax Increment Reinvestment Zone (TIRZ) or for the MMD to create a TIRZ or engage in</p>	<ul style="list-style-type: none"> <li>• Article VIII, Section 1-g, Texas Constitution</li> <li>• Chapter 311, Tax Code (Tax Increment Financing Act)</li> </ul>	<p>Tax increment financing is a popular form of economic development for cities and counties. MMDs often work hand-in-hand with TIRZs. An MMD may provide long term maintenance for the capital</p>	<p>This power is not currently granted through Chapter 375, Local Government Code.</p>	<p>The City of Nassau Bay was able to create a TIRZ over the same area as the NASA Area Management District. This will allow the TIRZ and the MMD to work together to provide services and improvements to the area.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
tax increment financing.		<p>projects constructed by a TIRZ. An MMD may design and fund the aesthetic enhancements to a TIRZ capital project. MMDs and TIRZs serving the same area may share staff, offices and overhead. This beneficial and productive relationship between MMDs and TIRZs is often cultivated by cities.</p>		<p>Brays Oaks Management District is able to use tax increment financing to support its projects to revitalize this neighborhood of Houston. Creation of the TIRZ in underway and will serve as the funding mechanism for significant drainage, detention and green space development. Tax exempt financing by the district does not negatively impact the City of Houston's to create TIRZs within the cap established by Chapter 311, Tax Code.</p> <p>The Cypress Waters, North Oak Cliff and Trinity West Management Districts all contemplate development that will occur in part with financing from locally created TIRZs. The district will issue the bonds that will be sold in the future to repay development costs.</p> <p>Examples of MMDs that work closely with TIRZs in the same area include:</p> <ul style="list-style-type: none"> <li>• HCID No. 1 (Uptown);</li> <li>• Houston Downtown Management District;</li> <li>• Greenspoint District;</li> <li>• HCID No. 3 (Upper Kirby);</li> <li>• Midtown Management District;</li> <li>• NASA Area Management District; and</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><u><b>Tax Abatements</b></u></p> <p>The power to grant property tax or assessment abatements.</p>	<ul style="list-style-type: none"> <li>Article VIII, Section 1-g, Texas Constitution</li> <li>Chapter 312, Tax Code (tax abatements)</li> </ul>	<p>Property tax abatements are used by local governments to encourage the location of new businesses and industry in their jurisdiction. Abatements are one of the traditional forms of economic development that should be available to all local government entities, including MMDs</p>	<p>The power to grant abatements of assessments is not currently granted through Chapter 375, Local Government Code. The power to grant abatements of property taxes is granted to MMDs through Chapter 312, Tax Code.</p>	<ul style="list-style-type: none"> <li>Greater Sharpstown Management District.</li> </ul> <p>Westchase District granted an abatement of its assessments to incentivize the construction of five buildings totaling approximately 2,000,000 square feet by BMC Software.</p> <p>Galveston County Management District No. 1 is considering making economic development grants to attract major new commercial and industrial projects to the district.</p>
<p><u><b>Benefit Assessments</b></u></p> <p>The power to levy benefit assessments on property in the MMD to finance MMD services and improvements.</p>	<ul style="list-style-type: none"> <li>Chapter 375, Local Government Code (MMDs)</li> </ul>	<p>Benefit assessments are the most common type of financing for MMDs. Most MMDs levy an assessment on property to fund a "service plan" to provide services and improvements for a defined term of years.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>Examples of MMDs that levy assessments include:</p> <ul style="list-style-type: none"> <li>Houston Downtown Management District;</li> <li>Westchase District;</li> <li>First Colony Management District;</li> <li>Greater East End Management District;</li> <li>Midtown Management District;</li> <li>Greater Northside Management District;</li> <li>Downtown Midland Management District;</li> <li>Greater Southeast Management District;</li> <li>HCID No. 4 (Energy Corridor);</li> <li>Spring Branch Management District;</li> <li>Brays Oaks Management District;</li> <li>East Downtown Management District;</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><b><u>Ad Valorem Taxes</u></b> The power to levy ad valorem (property) taxes to finance MMD services and improvements.</p>	<ul style="list-style-type: none"> <li>• Chapter 375, Local Government Code (MMDs)</li> <li>• Chapter 54, Water Code (MUDs)</li> </ul>	<p>In lieu of benefit assessments, some MMDs levy an ad valorem tax to fund MMD services and improvements. MMDs that issue bonds or intend to issue bonds often choose a tax over an assessment due to its credit worthiness in the bond market.</p>		<ul style="list-style-type: none"> <li>• Greater Sharpstown Management District;</li> <li>• International Management District; and</li> <li>• While not yet approved, it is contemplated that Cypress Waters, North Oak Cliff, and Trinity West Management Districts will adopt assessments in the future to finance maintenance activities in the districts.</li> </ul>
			<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>Examples of MMDs that levy or intend to levy ad valorem taxes include:</p> <ul style="list-style-type: none"> <li>• HCID No. 1 (Uptown);</li> <li>• HCID No. 3 (Upper Kirby);</li> <li>• Pearland Municipal Management District;</li> <li>• Spectrum Management District;</li> <li>• Galveston County Management District No. 1;</li> <li>• The Woodlands Township (formerly known as Town Center Improvement District);</li> <li>• HCID No. 8 (former Astroworld);</li> <li>• Sienna Plantation Management District; and</li> <li>• While not yet approved, it is contemplated that Cypress Waters, North Oak Cliff, and Trinity West Management Districts will levy ad valorem taxes.</li> </ul>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><b>Bonds</b></p> <p>The authority to issue bonds secured by MMD taxes, assessments and other revenues.</p>	<ul style="list-style-type: none"> <li>• Chapter 375, Local Government Code (MMDs)</li> <li>• Chapter 54, Water Code (MUDs)</li> <li>• Chapter 49, Water Code (water districts)</li> </ul>	<p>The issuance of tax-exempt bonds is the most efficient and effective way to finance public infrastructure. MMDs with enough property value to support a capital improvements plan will often choose to issue bonds secured by ad valorem taxes. MMDs may issue bonds payable from other sources, such as sales taxes.</p>	<p>This power is granted to all MMDs through Chapter 375, Local Government Code.</p>	<p>Most MMDs created for raw land development will levy ad valorem taxes so that infrastructure improvements can be financed with bonds.</p> <p>Examples of MMDs that have issued or intend to issue bonds secured by ad valorem taxes:</p> <ul style="list-style-type: none"> <li>• HCID No. 1 (Uptown);</li> <li>• HCID No. 3 (Upper Kirby);</li> <li>• Pearland Municipal Management District;</li> <li>• Spectrum Management District;</li> <li>• Galveston County Management District No. 1;</li> <li>• HCID No. 8 (former Astroworld); and</li> <li>• Sienna Plantation Management District.</li> </ul> <p>Greater Sharpstown Management District has negotiated a \$2.5 million note with Amegy Bank to finance wayfinding signage and enhanced landscaping.</p> <p>International Management District has negotiated a \$1.25 million note with Amegy Bank to finance similar improvements.</p> <p>Most MMDs created for raw land development will issue bonds secured by ad valorem taxes.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
<p><b>Sales Tax</b></p> <p>The power to levy a sales and use tax.</p>	<ul style="list-style-type: none"> <li>• Chapter 151, Tax Code (State sales tax)</li> <li>• Chapter 321, Tax Code (municipal sales tax)</li> <li>• Chapter 323, Tax Code (county sales tax)</li> </ul>	<p>MMDs in areas where the full two percent local sales tax is not levied have the opportunity to levy a sales tax to fund MMD services and improvements. This is an efficient way to fund programs, especially in commercial and retail areas.</p>	<p>This power is not currently granted through Chapter 375, Local Government Code.</p>	<p>East Aldine Management District has issued \$9 million in bonds secured by sales taxes to fund water and sewer improvements.</p> <p>The Woodlands Township (formerly known as Town Center Improvement District) has issued several series of bonds secured by ad valorem, sales, and hotel occupancy taxes.</p> <p>Examples of MMDs that levy sales taxes include:</p> <ul style="list-style-type: none"> <li>• The Woodlands Township;</li> <li>• East Aldine Management District;</li> <li>• Pearland Management District No. 1;</li> <li>• NASA Area Management District;</li> <li>• Dickinson Management District; and</li> <li>• League City Improvement District.</li> </ul> <p>East Aldine Management District is located in unincorporated Harris County. It levies a sales tax in lieu of a property tax or assessment. The MMD uses this tax to fund its programs, including water and sewer improvements. Currently the district is collecting slightly more than \$3 Million annually to pay for its service plan activities and bonded indebtedness.</p> <p>The Woodlands Township (formerly known as Town Center Improvement District) levies a sales tax, a portion of which is dedicated to economic development</p>



POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>purposes and a portion of which can be used for general district purposes.</p> <p>Pearland Management District No. 1 was created to facilitate a retail development anchored by a Bass Pro Shop. The Bass Pro Shop is active and the MMD sales tax funds the operation of the MMD.</p> <p>Aliana Management District will use sales tax revenue, if approved by the voters, to finance a commercial development along the Grand Parkway in Fort Bend County.</p>
<p><u>Hotel Occupancy Tax</u></p> <p>The power to levy a hotel occupancy tax.</p>	<ul style="list-style-type: none"> <li>• Chapter 351, Tax Code (municipal hotel occupancy tax)</li> <li>• Chapter 352, Tax Code (county hotel occupancy tax)</li> </ul>	<p>MMDs in unincorporated areas have the opportunity to fund certain MMD services with a hotel occupancy tax (HOT). An MMD HOT works particularly well for a destination resort or project or an area with a concentration of hotels. An MMD HOT does not compete or conflict with other local HOTs.</p>	<p>This power is not currently granted through Chapter 375, Local Government Code.</p>	<p>The Woodlands Township (formerly known as Town Center Improvement District) has, since 1999, levied a HOT which has been used, in addition to other purposes, to fund The Woodlands Convention Center, a 140,000 square foot convention and multi-purpose facility.</p> <p>Aliana Management District anticipates that a hotel will be constructed within the district and that the district's HOT will be used to finance district projects.</p>

POWER	STATUTORY REFERENCES	PURPOSE	CORRELATION WITH CHAPTER 375	EXAMPLES
				<p>Officials in Bexar County prefer to use districts created under Chapter 383, Local Government Code, known as "Super PIDs." While not technically MMDs, these districts do have MMD powers. These districts have used HOT very effectively to further economic development in Bexar County. District HOT has been used to attract and promote the development of "PGA Village" and the JW Marriott San Antonio Hill Country Resort, the world's largest JW Marriott resort.</p> <p>The Las Damas Management District was created to facilitate the development of a vineyard and winery and related development between Brenham and Bellville. The project is still in the planning stages, although grapes are currently cultivated. The ultimate plans for the project include a boutique hotel, rental villas, and a spa. A district HOT will play a key role in supporting the project.</p>

## **Appendix H-2**

**TYPICAL SUBCHAPTERS FOR A BILL CREATING A MUNICIPAL  
MANAGEMENT DISTRICT - FORMAT AND STANDARD PROVISIONS TO BE USED  
IN PROPOSED MMD LEGISLATION DURING THE 82ND LEGISLATIVE SESSION**

The headings for subchapters listed below are typical for bills creating municipal management districts and represent the appropriate format of MMD proposals. The noted sections represent the standardized language.

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 38\_\_ . ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

SUBCHAPTER B. BOARD OF DIRECTORS

SUBCHAPTER C. POWERS AND DUTIES

Sec. 38\_\_ .101. GENERAL POWERS AND DUTIES.

Sec. 38\_\_ .102. IMPROVEMENT PROJECTS AND SERVICES.

Sec. 38\_\_ .103. DEVELOPMENT CORPORATION POWERS.

Sec. 38\_\_ .104. NONPROFIT CORPORATION.

Sec. 38\_\_ .105. AGREEMENTS; GRANTS.

Sec. 38\_\_ .106. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.

Sec. 38\_\_ .107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

Sec. 38\_\_ .108. ECONOMIC DEVELOPMENT PROGRAMS.

Sec. 38\_\_ .109. NO EMINENT DOMAIN.

Sec. 38\_\_ .110. TAX AND ASSESSMENT ABATEMENTS.

Sec. 38\_\_ .111. PARKING FACILITIES.

Sec. 38\_\_ .112. APPROVAL BY THE CITY.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

SUBCHAPTER E. TAXES AND BONDS

SUBCHAPTER F. DEFINED AREAS

SUBCHAPTER G. MUNICIPAL ANNEXATION AND DISSOLUTION

**ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES**

Sec. 38. . . . ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

## IMPROVEMENT PROJECTS AND SERVICES

Sec. 38\_\_102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, and finance using any funds available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, and finance any improvement or service authorized under this chapter or Chapter 375, Local Government Code.

*[In lieu or in addition to the above Section 102, some bills may include a more detailed listing of services and improvements. Such lists are sometimes requested by local officials and constituents seeking greater specificity of the district's proposed activities.]*

**DEVELOPMENT CORPORATION POWERS**

Sec. 38\_\_.103. DEVELOPMENT CORPORATION POWERS. The district, using funds available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project that may be undertaken in accordance with that chapter.

**NONPROFIT CORPORATION**

Sec. 38\_\_104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.



**AGREEMENTS; GRANTS**

Sec. 38\_\_ .105. AGREEMENTS; GRANTS. (a) As provided in Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.

**AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT**

Sec. 38\_\_106. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT.

As provided in Chapter 375, to protect the public interest, the district may contract with a qualified party, including \_\_\_\_\_ County or the City, for the provision of law enforcement services in the district for a fee.

**MEMBERSHIP IN CHARITABLE ORGANIZATIONS**

Sec. 38\_\_ .107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

**ECONOMIC DEVELOPMENT PROGRAMS**

Sec. 38\_\_108. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

- (1) make loans and grants of public money; and
- (2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

- (1) Chapter 380, Local Government Code, provides to municipalities; and
- (2) Subchapter A, Chapter 1509, Government Code, provides to municipalities.

**NO EMINENT DOMAIN**

Sec. 38\_\_109. NO EMINENT DOMAIN. The district may not  
exercise the power of eminent domain.

**TAX AND ASSESSMENT ABATEMENTS**

Sec. 38\_\_ .110. TAX AND ASSESSMENT ABATEMENTS. The  
district may designate reinvestment zones and may grant  
abatements of district taxes or assessments on property within  
such zones.

## **PARKING FACILITIES**

Sec. 38\_\_ .111. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are necessary components of a street and are considered to be a street or road improvement. The development and operation of the district's parking facilities may be considered an economic development program.

**ADDITIONAL INTERGOVERNMENTAL RELATIONS COMMITTEE HEARING  
REQUEST FORM FOR SPECIAL DISTRICT LEGISLATION**

FILL OUT THE APPROPRIATE SECTION BELOW:

**A. MUNICIPAL MANAGEMENT DISTRICTS (MMDs):**

\_\_\_\_\_ This bill creates a municipal management district (MMD) operating pursuant to Chapter 375, Local Government Code. Please fill out Section B, C, D and E below.

OR

\_\_\_\_\_ This bill proposes to modify or change an existing MMD. Provide description of changes.

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**B. THIS DISTRICT WILL BE CREATED TO PROVIDE:**

- \_\_\_\_\_ Enhancements to existing activity center
- \_\_\_\_\_ Redevelopment or revitalization of Mixed-Use Area
- \_\_\_\_\_ Raw Land Development - Type of development (*describe the type of development being proposed i.e. residential, commercial, etc.*)

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**C. THIS LEGISLATION DOES/ DOES NOT (*circle one*) USE THE "STANDARD" LANGUAGE ADOPTED BY THE COMMITTEE. IF YES, PLEASE CHECK THE APPROPRIATE AUTHORITY REQUESTED:**

- \_\_\_\_\_ Improvement Projects and Services
- \_\_\_\_\_ Eligibility for Inclusion in Special Zones
- \_\_\_\_\_ Tax and Assessment Abatements
- \_\_\_\_\_ Economic Development Programs (Chapter 380, Local Government Code and Chapter 1509, Government Code)
- \_\_\_\_\_ Development Corporation Powers (Chapter 505, Local Government Code)
- \_\_\_\_\_ Nonprofit Corporation (Subchapter D, Chapter 431, Transportation Code)
- \_\_\_\_\_ Authority to enter into Agreements or Grants (Chapter 791, Government Code)
- \_\_\_\_\_ Authority to Contract For Law Enforcement
- \_\_\_\_\_ Parking Facilities
- \_\_\_\_\_ Membership in Charitable Organizations

**DESCRIBE ADDITIONAL AUTHORITY REQUESTED OR PROVISIONS BELOW:**

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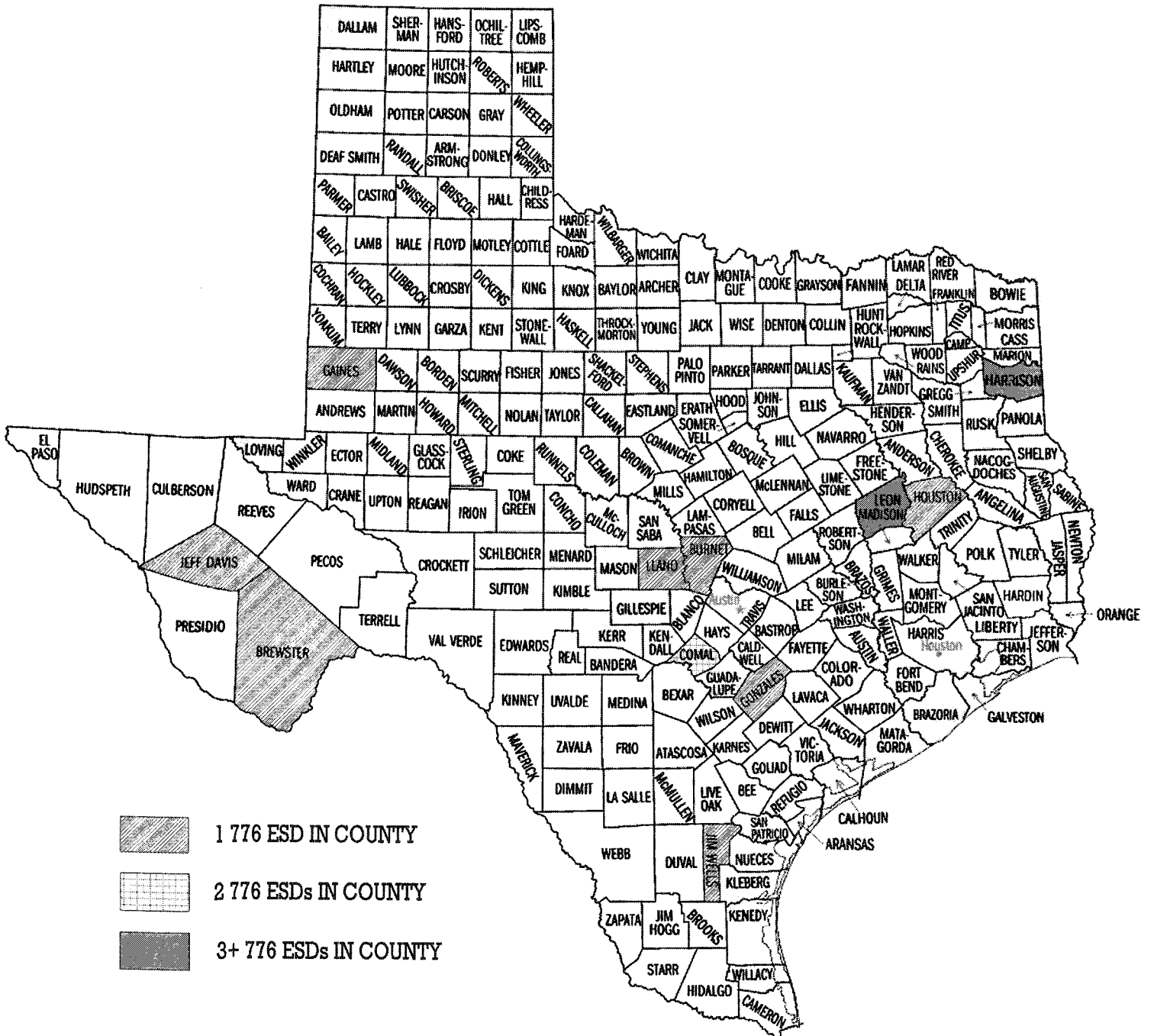
**D. THIS BILL DOES/ DOES NOT (*circle one*) REQUEST EMINENT DOMAIN AUTHORITY.**

**E. THIS DISTRICT REQUESTS THE AUTHORITY TO COLLECT:**

- \_\_\_\_\_ Assessments
- \_\_\_\_\_ Property Tax
- \_\_\_\_\_ Sales and Use Tax
- \_\_\_\_\_ Hotel Occupancy Tax
- \_\_\_\_\_ Tax Increment Revenue



## **Appendix H-3**



DALLAM SHERMAN HANSFORD OCHILTREE LIPS-COMB  
 HARTLEY MOORE HUTCHINSON ROBERTS HEMP-HILL  
 OLDHAM POTTER CARSON GRAY WHEELER  
 DEAF SMITH RANDALL ARMSTRONG DONLEY COLLINGS-WORTH  
 PARKER CASTRO SWISHER BRISCOE HALL CHILDRESS

BAILEY LAMB HALE FLOYD MOTLEY COTTLE HARDEMAN WILBARGER  
 COCHRAN HOCKLEY LUBBOCK CROSBY DICKENS KING KNOX BAYLOR ARCHER CLAY MONTAGUE COOKE GRAYSON FANNIN LAMAR DELTA RED RIVER FRANKLIN BOWIE  
 YONKIN TERRY LYNN GARZA KENT STONEWALL HASKELL THROCKMORTON YOUNG JACK WISE DENTON COLLIN HUNTI ROCKWALL HOPKINS CAMP MORRIS CASS  
 GAINES DAWSON BORDEN SCURRY FISHER JONES SWACKELFORD STEPHENS PALO PINTO PARKER TARRANT DALLAS KAUJMAN VAN ZANDT GREGG SMITH HENDERSON HARRISON

ANDREWS MARTIN HOWARD MITCHELL NOLAN TAYLOR CALLAHAN EASTLAND ERATH SOMERVELL HOOD JOHN-SON ELLIS HILL NAVARRO FREE-STONE HENDERSON RUSK PANOLA  
 EL PASO HUDSPETH CULBERSON LOVING WINKLER ECTOR MIDLAND GLASSCOCK COKE RUNNELS COLEMAN BROWNY COMANCHE BOSQUE NAVARRO FREE-STONE HENDERSON RUSK PANOLA  
 REEVES WARD CRANE UPTON REAGAN IRION TOM GREEN CONCHO MC CULLOCH SAN SABA LAM-PASAS CORYELL FALLS LIME-STONE HENDERSON RUSK PANOLA  
 JEFF DAVIS PECOS CROCKETT SCHLEICHER MENARD MASON LLANO BURNET WILLIAMSON MILAM ROBERTSON BELL FREE-STONE HENDERSON RUSK PANOLA

PRESIDIO BREWSTER TERRELL VAL VERDE EDWARDS REAL BANDERA KERR KEN DALL COMAL CALDWELL FAYETTE COLORADO FORT BEND  
 SUTTON KIMBLE GILLESPIE BLANCO HAYS BASTROP WASHINGTON HARRIS HOUSTON WALKER POLK TYLER JASPER NENTON  
 MASON LLANO BURNET WILLIAMSON MILAM ROBERTSON BELL FREE-STONE HENDERSON RUSK PANOLA  
 KINNEY UVALDE MEDINA BEXAR GUADALUPE CORZALES LAVACA WHARTON BRAZORIA GALVESTON  
 MAVERICK ZAVALA FRIO ATASCOSA KARNES GOLIAD VIC-TORIA JACKSON MATA-GORDA

WEBB DUVAL NUECES KLEBERG  
 ZAPATA JIM HOGG BROOKS KENEDY  
 STARR HIDALGO CAMERON

## Chapter 775 ESDs

\* indicates former RFPD in a County of population  
< 125,000 according to the 1980 census

Austin County ESD #1\*  
Austin County ESD #2\*  
Austin County ESD #3\*  
Bastrop County ESD #1  
Bastrop County ESD #2  
Bexar County ESD #1  
Bexar County ESD #10  
Bexar County ESD #11  
Bexar County ESD #12  
Bexar County ESD #2  
Bexar County ESD #3  
Bexar County ESD #4  
Bexar County ESD #5  
Bexar County ESD #6  
Bexar County ESD #7  
Bexar County ESD #8  
Bowie County ESD #1\*  
Bowie County ESD #3  
Brazoria County ESD #1  
Brazoria County ESD #2  
Brazoria County ESD #3  
Brazos County ESD #1\*  
Brazos County ESD #2\*  
Brazos County ESD #3\*  
Brazos County ESD #4\*  
Burnet ESD #2  
Burnet ESD #4  
Burnet ESD #5  
Burnet ESD #7  
Burnet ESD #8  
Cameron County ESD #1  
Cass County ESD #1\*  
Cass County ESD #2\*  
Central Bee County ESD #1\*  
Clay County ESD #1\*  
Clay County ESD #2\*  
Comal County ESD #3\*  
Comal County ESD #4\*  
Comal County ESD #5\*  
Comal County ESD #6\*  
Comal County ESD #7  
Delta County ESD #1  
Denton County ESD #1  
Duval County ESD #1  
El Paso ESD #1  
El Paso ESD #2  
Ellis County ESD #1  
Ellis County ESD #2\*  
Ellis County ESD #3\*  
Ellis County ESD #4\*  
Ellis County ESD #5\*

## Chapter 775 ESDs

\* indicates former RFPD in a County of population  
< 125,000 according to the 1980 census

Ellis County ESD #6\*  
Ellis County ESD #7\*  
Ellis County ESD #8\*  
Ellis County ESD #9\*  
Falls County ESD #1\*  
Falls County ESD #2\*  
Falls County ESD #3\*  
Fort Bend County ESD #1  
Fort Bend County ESD #2  
Fort Bend County ESD #3  
Fort Bend County ESD #4  
Fort Bend County ESD #5  
Frio County ESD\*  
Galveston County ESD #1  
Grimes County ESD #1\*  
Hardin County ESD #2 (Lumberton)\*  
Hardin County ESD #3 (Saratoga)\*  
Hardin County ESD #4 (Batson)\*  
Hardin County ESD #5 (Sour Lake)\*  
Hardin County ESD #6 (Silsbee)\*  
Harris County ESD #1  
Harris County ESD #10  
Harris County ESD #11  
Harris County ESD #12  
Harris County ESD #13  
Harris County ESD #14  
Harris County ESD #15  
Harris County ESD #16  
Harris County ESD #17  
Harris County ESD #19  
Harris County ESD #2  
Harris County ESD #20  
Harris County ESD #21  
Harris County ESD #24  
Harris County ESD #25  
Harris County ESD #28  
Harris County ESD #29  
Harris County ESD #3  
Harris County ESD #4  
Harris County ESD #46  
Harris County ESD #47  
Harris County ESD #48  
Harris County ESD #5  
Harris County ESD #50  
Harris County ESD #6  
Harris County ESD #60  
Harris County ESD #7  
Harris County ESD #8  
Harris County ESD #80  
Harris County ESD #9  
Harrison County ESD #2\*

## Chapter 775 ESDs

\* indicates former RFPD in a County of population  
< 125,000 according to the 1980 census

Harrison County ESD #3\*  
Harrison County ESD #4\*  
Hays County ESD #5\*  
Hays County ESD #6\*  
Hays County ESD #7  
Hays County ESD #8\*  
Henderson County ESD\*  
Henderson County ESD #3\*  
Henderson County ESD #4\*  
Henderson County ESD #5  
Hidalgo County ESD #1  
Hidalgo County ESD #2  
Hidalgo County ESD #3  
Hidalgo County ESD #4  
Hill County ESD #1\*  
Hill County ESD #2  
Houston County ESD #1  
Jackson County ESD\*  
Jackson County ESD #2  
Jasper County ESD #1\*  
Jasper County ESD #2\*  
Jasper County ESD #3\*  
Jasper County ESD #4\*  
Jefferson County ESD #1  
Jefferson County ESD #2  
Jim Hogg County ESD\*  
Johnson County ESD #1\*  
Karnes County ESD\*  
Kaufman County ESD #1\*  
Kaufman County ESD #2\*  
Kaufman County ESD #3\*  
Kaufman County ESD #4\*  
Kaufman County ESD #5\*  
Kaufman County ESD #6\*  
Kerr County ESD #1\*  
Kerr County ESD #2  
Liberty County ESD #1\*  
Liberty County ESD #2\*  
Liberty County ESD #3\*  
Liberty County ESD #7\*  
Liberty Eylau (Bowie County) ESD #2\*  
Live Oak County ESD #1  
Llano County ESD #2\*  
Llano County ESD #3\*  
Medina County ESD #1  
Medina County ESD #2  
Medina County ESD #3  
Medina County ESD #4  
Medina County ESD #5  
Medina County ESD #6  
Montgomery County ESD #1

## Chapter 775 ESDs

\* indicates former RFPD in a County of population  
< 125,000 according to the 1980 census

Montgomery County ESD #10  
Montgomery County ESD #11  
Montgomery County ESD #12  
Montgomery County ESD #14  
Montgomery County ESD #2  
Montgomery County ESD #3  
Montgomery County ESD #4  
Montgomery County ESD #5  
Montgomery County ESD #6  
Montgomery County ESD #7  
Montgomery County ESD #8  
Montgomery County ESD #9  
Nacogdoches County ESD #1\*  
Nacogdoches County ESD #2\*  
Nacogdoches County ESD #3  
Nacogdoches County ESD #4  
Navarro County ESD #1  
Newton County ESD #1\*  
Newton County ESD #2\*  
Newton County ESD #3\*  
Newton County ESD #4\*  
Newton County ESD #5\*  
North Bee County ESD #2\*  
North Hays County ESD #1  
Northeast Hays County ESD #2  
Nueces County ESD #1  
Nueces County ESD #2  
Nueces County ESD #3  
Nueces County ESD #4  
Orange County ESD #1\*  
Orange County ESD #2\*  
Orange County ESD #3\*  
Orange County ESD #4\*  
Palo Pinto County ESD\*  
Panola County ESD\*  
Parker County ESD #1  
Parker County ESD #3  
Parker County ESD #7  
Pawnee (Bee County) ESD #3\*  
Payne Springs (Henderson County) ESD\*  
Rains County ESD\*  
Roberts County ESD #1  
Robertson County ESD\*  
Rusk County ESD #1\*  
San Jacinto County ESD\*  
Smith County ESD #1  
Smith County ESD #2  
South Bee County ESD #4\*  
South Blanco County ESD\*  
South Hays County ESD #3\*  
Tarrant County ESD

## Chapter 775 ESDs

\* indicates former RFPD in a County of population  
< 125,000 according to the 1980 census

Tom Green County ESD #1\*  
Travis County ESD #1  
Travis County ESD #10  
Travis County ESD #11  
Travis County ESD #12  
Travis County ESD #13  
Travis County ESD #14  
Travis County ESD #2  
Travis County ESD #3  
Travis County ESD #4  
Travis County ESD #5  
Travis County ESD #6  
Travis County ESD #8  
Travis County ESD #9  
Trophy Club (Tarrant County) ESD  
Tyler County ESD #1\*  
Tyler County ESD #2\*  
Tyler County ESD #3\*  
Tyler County ESD #4\*  
Tyler County ESD #5\*  
Tyler County ESD #6\*  
Tyler County ESD #7\*  
Tyler County ESD #8\*  
Upshur ESD #1\*  
Upton County ESD #1\*  
Upton County ESD #2\*  
Van Zandt County ESD #1\*  
Van Zandt County ESD #2  
Village Mills (Hardin County) ESD #8\*  
Walker County ESD #1\*  
Walker County ESD #2\*  
Wharton County ESD #1\*  
Wharton County ESD #2  
Wharton County ESD #3  
Wharton County ESD #4  
Williamson County ESD #1\*  
Williamson County ESD #10  
Williamson County ESD #2\*  
Williamson County ESD #3  
Williamson County ESD #4  
Williamson County ESD #5  
Williamson County ESD #6  
Williamson County ESD #7  
Williamson County ESD #8  
Williamson County ESD #9  
Wilson County ESD #1  
Wimberly (Hays County) ESD #4\*  
Wise County ESD #1\*  
Wood County ESD #1\*

## **Chapter 776 ESDs**

Brewster County ESD #1  
Burnet ESD #1  
Comal County ESD #1  
Comal County ESD #2  
Gonzales County ESD #1  
Harrison County ESD #1  
Harrison County ESD #5  
Harrison County ESD #6  
Harrison County ESD #7  
Harrison County ESD #8  
Houston County ESD #2  
Jeff Davis County ESD #1  
Jim Wells County ESD #1  
Leon County ESD #4  
Llano ESD #1  
N.W. Leon County ESD #3  
Northeast Gaines County ESD  
S.E. Leon County ESD #1  
S.W. Leon County ESD #2



## **Unknown Authority ESDs**

Hardin County ESD #1 (Kountze)

*(All other Hardin County ESDs are 775 Authorization)*

Hico (Hamilton County) ESD

Hudspeth County ESD #1

Kaufman County ESD #7

*(6 other ESDs in Kaufman County are converted RFPDs)*

Kimble County ESD

North Blanco County ESD

Parker County ESD #6

*(All other Parker County ESDs are 775 Authorization)*

Willacy County ESD

## **Appendix H-4**

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.022. (b) The disannexation of territory under this section <b>does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other obligations of the district including loans and lease-purchase agreements.</b></p>		<p>Ch. 776 does not specifically state that removal of territory does not diminish or impair the rights of holders of district debt.</p>
<p>Sec. 775.024. (a) Two or more emergency services districts may merge into a single emergency services district as provided by this section if:</p> <ul style="list-style-type: none"> <li>(1) the board of each of the districts votes in favor of the merger; and</li> <li>(2) the residents of each district approve the merger in an election held for that purpose.</li> </ul>		<p>Ch. 776 does not provide for the merger of two or more ESDs.</p>
<p>Sec. 775.031. (c) A district may contract with the state or a political subdivision for law enforcement services or for enforcement of the district's fire code. A district may commission a peace officer or employ a person who holds a permanent peace officer license issued under Section 1701.307, Occupations Code, as a peace officer.</p>		<p>Ch. 776 does not allow the district to commission or employ a peace officer.</p>
<p>Sec. 775.033. (a) A district is not liable for a claim arising from the act or omission of an employee or volunteer under an oral or written contract with the district if the act or omission:</p> <ul style="list-style-type: none"> <li>(1) is in the course and scope of the employee's or volunteer's duties for the district;</li> <li>(2) takes place during the provision of emergency services;</li> <li>(3) is not in violation of a statute or ordinance applicable to emergency action; and</li> <li>(4) is not willful or wantonly negligent.</li> </ul> <p>(b) This section does not expand the liability of a district.</p>		<p>Ch. 776 does not provide the district with specific immunity from liability for the acts or omissions of employees or volunteers in the regular provision of emergency services.</p>
<p>Sec. 775.034. (a) The commissioners court of a county in which a single-county district is located shall appoint a five-member board of emergency services commissioners to serve as the district's governing body. To serve as a member of the board a person must be:</p> <ul style="list-style-type: none"> <li>(1) at least 18 years of age; and</li> <li>(2) a resident citizen of the state and: <ul style="list-style-type: none"> <li>(A) a qualified voter within areas served by the district; or</li> <li>(B) the owner of land subject to taxation in the district.</li> </ul> </li> </ul>	<p>Sec. 776.033. (a) The commissioners court of a county in which a single-county district is located shall appoint a five-member board of emergency commissioners to serve as the district's governing body. . . .</p>	<p>Ch. 776 does not specify the qualifications of a person eligible to serve on the board of a district located wholly in one county.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.035. (a) The governing body of a district located in more than one county consists of a five-person board of emergency services commissioners elected as prescribed by this section. Except as provided by Subsection (g), emergency services commissioners serve <b>four-year terms</b>.</p> <p>...</p> <p>(g) The initial emergency services commissioners' terms of office begin 30 days after canvassing of the election results. The two commissioners who received the fewest votes serve a term that expires on December 31 of the second year following the year in which the election was held. The other emergency services commissioners serve terms that expire on December 31 of the fourth year following the year in which the election was held.</p> <p>(h) The general election for commissioner shall be held every two years on an authorized uniform election date as provided by Chapter 41, Election Code. The board may change the election date from one authorized election date to another authorized election date and shall adjust the terms of office to conform to the new election date.</p> <p>Sec. 775.036. (b) The board may adopt and enforce a fire code, including fines for any violations, that does not conflict with a fire code adopted by any county that also contains within its boundaries any portion of the land contained in the district and may require inspections in the district relating to the causes and prevention of fires and medical emergencies, except as provided by Section 775.031(b).</p> <p>Sec. 775.036. (c) Chapter 551, Government Code, does not apply to a meeting of a committee:</p> <p>(1) of the board if less than a board quorum attends; or</p> <p>(2) composed of representatives of more than one board, if less than a quorum of any of the boards attends.</p> <p>Sec. 775.036. (f) Each January, the board shall publish the street address of the district's administrative office in eight-point type in the legal notices section of a newspaper of general circulation in the district. In a district's first year of operation, the board shall publish the notice not later than the 60th day after the date the initial board is appointed.</p>	<p>Sec. 776.034. (a) The governing body of a district located in more than one county consists of a five-person board of emergency commissioners elected as prescribed by this section. Except as provided by Subsection (g), an emergency commissioner serves a <b>two-year term</b>.</p> <p>...</p> <p>(g) The initial emergency commissioners' terms of office begin on January 1 of the year following the year of the election. The two commissioners who received the fewest votes serve one-year terms. The other commissioners serve two-year terms.</p> <p>(h) The general election for commissioner shall be held annually on an authorized election date as provided by Chapter 41, Election Code.</p>	<p>Ch. 776 provides that in a district located in more than one county, commissioners serve one-year or two-year terms after the initial election, and two-year terms thereafter with a general election held every year.</p> <p>Ch. 776 does not provide a district the authority to adopt and enforce a fire code.</p> <p>Ch. 776 does not have a similar provision.</p> <p>Ch. 776 does not require a district to publish district administrative office locations.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.036. (g) The board may commission a peace officer or employ a person who holds a permanent peace officer license issued under Section 1701.307, Occupations Code, to inspect for fire hazards any structure, appurtenance, fixture, or other real property located in the district. The board may adopt procedures to order the owner or occupant of the property that fails an inspection to correct the hazardous situation.</p> <p>Sec. 775.038. (a) Except as provided by Subsection (b), an emergency services commissioner is entitled to receive compensation of not more than \$50 per day for each day the commissioner actually spends performing the duties of a commissioner. Compensation may not exceed \$3,000 per year. Commissioners may be reimbursed for reasonable and necessary expenses incurred in performing official duties.</p> <p>Sec. 775.038. (d) Commissioners are subject to Chapter 171, Local Government Code.</p>		<p>Ch. 776 does not specifically allow a district to employ a peace officer to inspect for fire hazards any property located in the district or to adopt procedures to order an owner or occupant to correct the hazardous situation.</p> <p>Ch. 776 does not allow a commissioner to receive compensation but commissioners may be reimbursed for expenses incurred in performing official duties.</p> <p>Ch. 776 states generally that commissioners may not have an interest, including a financial interest, in a district contract or transaction.</p> <p>Ch. 776 does not specifically authorize a district to collect fees for providing certain services.</p>
<p>Sec. 775.040. FEES FOR PROVIDING SERVICES. A district, or a person authorized by contract on the district's behalf, may charge a reasonable fee for emergency services performed for or on behalf of a person or entity, including a fee for responding to a false alarm or for a fire code inspection.</p> <p>Sec. 775.041. (b) If the fee has not been paid in the amount of time established by the district, the district may collect the fee by filing a complaint in the appropriate court of jurisdiction in the county in which the district's principal office or meeting place is located.</p> <p>Sec. 775.042. (a) A board may remove a member if:</p> <p>(1) the member is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the board; and</p> <p>(2) the other members of the board unanimously vote to remove that member.</p> <p>Sec. 775.0422. (b) The commissioners court of the county in which a district is located, by an order adopted by a majority vote after a hearing, may remove one or more board members if the board failed to give the report required by Section 775.036(a)(4) to the commissioners court before the 91st day after the date on which the report was due under that section.</p>		<p>Ch. 776 does not specifically authorize a district to collect fees for providing certain services or to sue to collect those fees.</p> <p>Ch. 776 does not provide for the removal of a board member by the board.</p> <p>Ch. 776 does not provide for the removal of a board member by the commissioners court.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.043. (a) Section 2256.008, Government Code, does not apply to an officer or employee of a district created under this chapter.</p> <p>Sec. 775.043. (b) A district may invest funds only in the authorized investments set forth under Government Code Section 2256.009 (obligations of, or guaranteed by governmental entities), 2256.010 (certificates of deposit and share certificates), or 2256.016 (investment pools), unless the treasurer, chief financial officer (if not the treasurer), and the investment officer of the district attend and successfully complete the training requirements under Section 2256.008, Government Code.</p> <p>Sec. 775.044. VACANCY ON BOARD OF DISTRICT LOCATED IN MORE THAN ONE COUNTY. (a) Not later than the 90th day after a board vacancy for a district located in more than one county occurs, the remaining board members shall appoint a person to fill the unexpired term.</p> <p>(b) If the board has not filled the vacancy before the 91st day after the date of the vacancy, the commissioners court of the county where the previous board member resided shall appoint a person to fill the vacancy.</p> <p>(c) A person appointed under this section must be eligible to serve under Section 775.035.</p>		<p>Ch. 776 does not have a similar provision.</p> <p>Ch. 776 does not have a similar provision.</p> <p>Ch. 776 does not allow the board members to fill a vacancy.</p>
<p>Sec. 775.075. (a) The qualified voters of a district may petition in the manner provided by Sections 775.052 through 775.054 for dissolution of a district to reduce the ad valorem tax rate of the district.</p> <p>Sec. 775.0751. (a) . . . the tax at a rate from one-eighth percent of one percent to two percent in increments of <b>one-eighth percent</b> . . .</p>	<p>Sec. 776.055. APPEAL. A person in the district or an owner of real or personal property located in the district may appeal the board's decision on dissolution of the district. The person or owner must file the appeal in a district court in a county in which the district is located.</p>	<p>Ch. 775 does not specifically state that an owner of property in the district may appeal in district court the board's decision to dissolve the district.</p>
<p>Sec. 775.0751. (a) . . . the tax at a rate from one-half percent, one percent, one and <b>one-half percent</b>, or two percent. . . .</p>	<p>Sec. 776.0751. (a) . . . the tax at a rate of one-half percent, one percent, one and <b>one-half percent</b>, or two percent. . . .</p>	<p>Ch. 776 does not provide for the reduction of the ad valorem tax rate by petition.</p> <p>Ch. 775 allows a tax in increments of one-eighth percent while Ch. 776 allows a tax in increments of one-half percent.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.0751. (c-1) A district that otherwise would be precluded from adopting a sales and use tax under Subsection (c) may adopt a sales and use tax, change the rate of its sales and use tax, or abolish its sales and use tax at an election held as provided by Section 775.0752, if the board:</p> <p>(1) excludes from the election and the applicability of any proposed sales and use tax any territory in the district where the sales and use tax is then at two percent; and</p> <p>(2) not later than the 30th day after the date on which the board issues the election order, gives, for informational purposes, written or oral notice on the proposed imposition, increase, or abolition of the sales and use tax, including the reasons for the proposed change, to the commissioners court of each county in which the district is located.</p> <p>Sec. 775.082. (a) The county auditor of a county that contains any part of the district shall have access to the books, records, officials, and assets of the district.</p> <p>Sec. 775.084. (a) Except as provided by Subsection (i), the board must submit to <b>competitive bids</b> an expenditure of more than <b>\$50,000</b> for:</p> <p>(1) one item or service; or</p> <p>(2) more than one of the same or a similar type of item or service in a fiscal year.</p> <p>Sec. 775.084. (i) This section does not apply to:</p> <p>(1) the purchase or lease of real property;</p> <p>(2) an item or service that the board determines can be obtained from only one source;</p> <p>(3) a contract for fire extinguishment and suppression services, emergency rescue services, or ambulance services;</p> <p>(4) an emergency expenditure;</p> <p>(5) the purchase of vehicle fuel;</p> <p>(6) the purchase of firefighter bunker gear;</p> <p>(7) the purchase of insurance coverage; or</p> <p>(8) repairs funded by a payment made under an insurance claim.</p> <p>Sec. 775.084. (k) A contract for a public works project must be administered in the manner provided by <b>Subchapter B or H, Chapter 271, Local Government Code</b>, except as provided by this section.</p>	<p style="text-align: center;">CHAPTER 776</p> <p>Sec. 776.074. (a) Except as provided by Subsection (i), the board must submit to <b>competitive bids</b> an expenditure of more than <b>\$25,000</b> for:</p> <p>(1) one item or service; or</p> <p>(2) more than one of the same or a similar type of items or services in a fiscal year.</p> <p>Sec. 776.074. (i) This section does not apply to:</p> <p>(1) the purchase or lease of real property;</p> <p>(2) an item or service that the board determines can be obtained from only one source;</p> <p>(3) a contract for fire extinguishment and suppression services, emergency rescue services, or ambulance services; or</p> <p>(4) an emergency expenditure.</p> <p>Sec. 776.074. (k) A contract for a public works project must be administered in accordance with <b>Subchapter B, Chapter 271, Local Government Code</b>, except as provided by this section.</p>	<p>Ch. 776 does not allow a district to exclude from the election and applicability of any proposed sales and use tax territory where the tax is already at the two percent cap. <b>Note that the provision in Ch. 775 may violate Section 1(a), Article VIII, Texas Constitution.</b></p> <p>Ch. 776 does not specifically require a district to be audited.</p> <p>Sec. 775.084 requires competitive bidding on an expenditure of more than \$50,000, whereas Sec. 776.074 requires competitive bidding on an expenditure of more than \$25,000.</p> <p>Ch. 776 does not exempt contracts for vehicle fuel, firefighter bunker gear, insurance coverage, or repairs funded by a payment made under an insurance claim from competitive bidding requirements.</p> <p>Sec. 776.074 does not provide for the administration of public works projects in accordance with Subchapter H, Ch. 271, Local Government Code.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.

## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>Sec. 775.085. (a) The board, on the behalf of the district, may borrow money and make other financial arrangements to purchase real property or emergency services equipment or <b>construct emergency services facilities</b> in the amount and subject to a rate of interest or other conditions the board considers advisable.</p>	<p>Sec. 776.082. (a) The board, on the behalf of the district, may borrow money and make other financial arrangements to purchase real property or emergency services equipment in the amount and subject to a rate of interest or other conditions the board considers advisable.</p>	<p>Ch. 776 does not specifically allow a district to borrow money to construct facilities.</p>
<p>SUBCHAPTER F. FIRE MARSHAL</p> <p>...                      Sec. 775.101. (a) A district may create the office of district fire marshal if a county in which the district is located does not have a county fire marshal.</p>		<p>Ch. 776 does not provide for creation of the office of fire marshal.</p>
<p>SUBCHAPTER G. HAZARDOUS MATERIALS</p> <p>...                      Sec. 775.152. HAZARDOUS MATERIALS SERVICE. A district may provide hazardous materials services, including a response to an incident involving hazardous material that has been:                      (1) leaked, spilled, or otherwise released; or                      (2) abandoned.</p>		<p>Ch. 776 does not authorize a district to provide hazardous materials service.</p>
<p>SUBCHAPTER I. SURPLUS AND SALVAGE PROPERTY</p> <p>Sec. 775.251. SALE AND DISPOSITION OF SURPLUS OR SALVAGE PROPERTY. (a) In this section:                      (1) "Salvage property" means personal property, other than wastepaper, that because of use, time, or accident is so damaged, used, or consumed that it has no value for the purpose for which it was originally intended.                      (2) "Surplus property" means personal property that is in excess of the needs of its owner, that is not required for the owner's foreseeable needs, and that possesses some usefulness for the purpose for which it was intended or for some other purpose.                      (3) "Volunteer fire department" means an association that:                      (A) operates firefighting equipment;                      (B) is organized primarily to provide and actively provides firefighting services;                      (C) does not pay its members compensation other than nominal compensation; and                      (D) does not distribute any of its income to its members, officers, or governing body, other than for reimbursement of expenses.                      (b) Notwithstanding other law, a district may sell surplus firefighting equipment, including equipment described by Sections 419.040 and 419.041, Government Code, to any volunteer fire department or district in this state for fair market value if the equipment:</p>		<p>Ch. 776 does not have any specific provisions allowing for the sale or disposal of surplus or salvage equipment by a district.</p>

\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.



## Substantive Differences Between Chapters 775 and 776, Health and Safety Code\*

CHAPTER 775	CHAPTER 776	DIFFERENCE
<p>(1) met the National Fire Protection Association Standards at the original time of purchase; and</p> <p>(2) at the time of the sale:</p> <p>(A) meets the National Fire Protection Association Standards in effect at the original time of purchase; or</p> <p>(B) meets the National Fire Protection Association Standards in effect.</p> <p>(c) A district may contract to supply surplus property to any volunteer fire department or district in this state at fair market value.</p> <p>(d) A district may sell salvage property to any person in this state for fair market value. If a district is unable to sell the property for fair market value, the district may destroy or otherwise dispose of the property as worthless.</p> <p>(e) The district may determine the fair market value of surplus and salvage property sold under Subsections (b), (c), and (d).</p>		

**\*Note: This chart does not include provisions "bracketed" to apply to only certain districts, municipalities, or counties.**

## **Appendix H-5**



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

December 17, 2008

To All Bond Counsel:

Re: Proposed Public Improvement District Guidelines; Public Finance Division Personnel; Proposed Public Finance Division Rules

**1. Proposed Public Improvement District Guidelines.** Efforts to finance improvements in public improvement districts (“PIDs”) implicate a number of currently unsettled legal and/or administrative issues. The Public Finance Division receives numerous inquiries from bond counsel each year regarding the validity of proposed PID financing structures. We believe that the development of a more comprehensive framework for considering PID financings would help issuers and bond counsel avoid unnecessary delays in or uncertainty regarding the legal requirements for the issuance of PID bonds.

Attached as Exhibit A are proposed guidelines regarding the issuance of PID bonds under Subchapter A, Chapter 372, Texas Government Code (the “Act”). In developing the proposed guidelines, we engaged in extensive discussions with bond counsel firms that frequently represent issuers of PID bonds. While additional legislation may be necessary to achieve some of the goals expressed by bond counsel, we believe the proposed guidelines address most of the issues raised in the course of our discussions.

Our goal is to develop guidelines that will provide a workable platform for the structuring and review of future PID financings within the parameters of the Act. As a result, prior to formally adopting the guidelines we would like to give all interested parties an opportunity to provide written comments as to the positions expressed in the proposed guidelines. Please submit any written comments to the Public Finance Division no later than January 19, 2009. Comments should be addressed to the attention of Stephanie Leibe.

**2. Public Finance Division Personnel.** Thank you for your support during my tenure in the Public Finance Division. It was a pleasure to have the opportunity to work with the members of the Texas bond community and the outstanding lawyers in the Public Finance Division. Effective December 1, I assumed the duties of Deputy Attorney General for Legal Counsel. I look forward to serving you in this new role.

Tom Griess has graciously agreed to serve as the acting Chief of the Public Finance Division. Tom has been with the Public Finance Division for

seventeen years, and during that time he has demonstrated an unparalleled knowledge of state public finance law. A gifted teacher, his service will be an asset to the Texas bond community. Please join me in welcoming him to this new position.

**3. Proposed Public Finance Division Rules.** Our office remains committed to maintaining an open dialog with the bond community, and your input is a critical element in our efforts to ensure that we efficiently and effectively fulfill our statutory duties. In addition to the proposed PID guidelines being distributed today, the Public Finance Division recently began the process of revising Title 1, Chapter 53 of the Texas Administrative Code. Proposed revisions to Subchapter A of Chapter 53 were distributed to interested parties for informal comment on November 26, 2008. Proposed revisions to other subchapters will follow in the coming months. To the extent you have any suggestions regarding the proposed PID guidelines or rules, we hope you will take the opportunity to submit comments.

Thank you for your cooperation in distributing this information to your colleagues.

Very truly yours,

Jonathan K. Frels  
Deputy Attorney General for Legal Counsel

[Exhibit A – Proposed Public Improvement District Guidelines](#)

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## EXHIBIT A

### Proposed Public Improvement District Guidelines: Application of Subchapter A, Chapter 372, Texas Local Government Code In bond Transactions

Note: Throughout this document we have used the term city as shorthand for municipality or county unless context requires otherwise, as with the discussion related to §49.108 contracts.

#### I. Boundaries and Composition of PID

- A. Contiguity: The land within the boundaries of a PID must be contiguous. According to JM-295, when a statute is silent as to a contiguity requirement, then the statute is presumed to require contiguous land.
- B. City Owned Land: Land owned by a city that is exempt from *ad valorem* taxes should not be considered when calculating the ownership of land in a PID for petition purposes.

#### II. Notice

- A. City Official Action: A city must take official action in order to authorize the giving of §372.009 notices. This is the same requirement as is in place for authorizing the publication of CO notices of intent.
- B. Description of Boundaries: PID boundaries may be described in a PID notice by reference to existing streets and roads, with the notice indicating that the metes and bounds are on file and available for inspection.

#### III. Projects Outside of the PID/No Assessment of Areas Outside of a PID

- A. Projects Outside of a PID: Section 372.003(a) provides implied authority for a PID to construct improvements outside of the PID and to levy assessments against the landowners in the PID so long as the improvements confer a *special benefit* on the landowners in the PID, the project is located within the city limits or the extraterritorial jurisdiction of the city, and the city finds that the improvement project promotes the interests of the city. Section 372.003(a) does not appear to provide any authority for undertaking projects outside of a city's extraterritorial jurisdiction. See *Hope v. Village of Laguna Vista*, 721 S.W.2d 463 (Tex.App. – Corpus Christi 1986, writ ref'd n.r.e.). See also section VI.E. for information regarding special benefits determinations.

**12/1/2008 DRAFT: FOR DISCUSSION PURPOSES ONLY**

\*The information contained in this document contains proposed guidelines for the application of Chapter 372, Texas Local Government Code in bond transactions. It does not represent a formal statement as to the official positions of the Office of the Attorney General or the Public Finance Division.

- B. No Assessment of Areas Outside of a PID: Chapter 372 does not allow a city or a county to levy an assessment against property located outside of a PID. Section 372.012, which is entitled “Area of a District,” provides for creating a PID in an area that is smaller than that contained in the notice. It also provides a mechanism for increasing the area within the proposed boundaries of the PID. Given the context of the provision, the explicit reference to §372.009, and due process considerations, §372.012 cannot be read to provide for the assessment of areas outside of a PID.

**IV. Phasing**

- A. Levy of Assessments Prior to the Issuance of Bonds: Section 372.023(d) provides that “a cost payable from a special assessment that is to be paid in installments . . . shall be payable from the issuance and sale of revenue or general obligation bonds.”

- 1. In order to levy assessments in installments, a PID must issue bonds.
- 2. A reasonable time period may elapse between the levy of the assessment and the issuance of bonds in order to allow for improvements to be completed and bonds to be marketed. The time period is not intended to allow for phasing, which should be covered by multiple assessments as discussed below. The maximum time period between the levy of the assessment and the sale of the bonds is two years. The initial levy should be for the principal amount of the improvements to be covered in the phase plus interest on the principal amount at a reasonable not to exceed rate. The assessments should be structured to expire if bonds are not issued or the improvements are not constructed.

**B. Multiple Assessment Levies to Accommodate Phases of Development:**

- 1. A PID may make multiple assessments on property in a PID in order to facilitate new phases of a project so long as the procedural requirements in Chapter 372 for imposing assessments are followed. The procedural provisions that must be followed are §§372.013 through 372.018. In order to provide for phasing, the actions of the city creating the PID (§§372.005 through 372.010) must contemplate all of the improvements to be included in all subsequent phases. As a result, the city should include all of the projects it is considering as part of the phasing plan as part of its resolution and the service and assessment plan. See §§ 372.006(b), 372.013 and 372.014. Phrases such as “and any other

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improvements allowed by law” are overly inclusive and do not give appropriate notice to property owners. As a result, the use of such phrases to describe the proposed improvements is not acceptable.

2. Application of Principles: The following describes the application of these principles in a raw land development with master facilities and phases of development.

a. Master Facilities: The city would levy against all of the property within the PID for improvements benefiting the entire PID.

b. Each Phase: The PID would follow the procedures in §§372.013-372.018 in adopting a service plan and levying assessments for each phase of the work.

c. This procedure would provide an orderly approach to the assessment of land in a multi-phase development, and it would prevent the over-assessment of property and contingent assessments of property that would remain outstanding for extended periods of time, creating a cloud on the title to such property. If master facilities and the first phase (or multiple phases) of development are being financed at the same time, a single series of PID assessment bonds could be issued for such improvements. If an issuer is issuing combination contract revenue and PID assessment bonds for such purposes, the issuer must comply with the principles described in Section VII, below.

C. Reimbursement of Developers: Chapter 372 does not allow for the reimbursement of developers or payments by a city for the acquisition of improvements already dedicated to the city. However, it is a permissible use of bond proceeds for the city to reimburse itself for costs incurred in the establishment of the PID.

**V. Assessment Levies**

A. Levies based upon Estimates: Sections 372.016 and 372.017 provide that assessments shall be levied after the total cost of the improvements is determined. Assessments may be based upon reasonable estimates contained in an official report (e.g. an engineer’s report). Such levies may be based upon (i) an estimate containing a breakdown for each individual cost or (ii) an estimate containing a cost breakdown by categories of expenditures. If a levy is based upon an estimate, the levy must be

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structured so that the levy may be reduced in the event that the actual costs are less than the estimate.

- B. Annual Installments: Annual installments need not be level.
- C. Interest on Assessments: Section 372.018 authorizes cities to collect assessments that are one-half of one percent above the actual interest rate on the bonds used to finance improvements. While the statute does not expressly provide a use of these funds, a reasonable construction of the statute would allow such amounts to be used for debt service reserves, administrative expenses, and in certain circumstances, project costs of the PID. Estimates (presumably for each phase) should be sufficient to cover the costs of the proposed improvements (for that phase). If an assessment is based upon an estimate, the levy should be for the full amount of the estimate with the ability to downsize if the costs of the improvements come in under the estimates.
- D. Prepayment: Section 372.018(b) provides that a landowner must be able to pay, at any time, the entire assessment, *with interest that has accrued on the assessment*, on any lot or parcel. This language does not allow a PID to charge landowners who are prepaying their assessments an additional amount of money that would cover the interest that would accrue between the time of prepayment and the redemption date on the bonds. The debt service reserve fund is a more appropriate source of funds.
- E. Filing: In order to ensure that future property owners have notice of the lien on their property and to help ensure that payments will be made, the city should provide evidence that the assessment roles have been filed in the county deed records. **SEE TEX PROP. CODE §5.014.**
- F. Findings Regarding the Ability to Repay: In the assessment order or ordinance, a city or county must include a recital stating how the amounts of the assessments was determined (§372.015), and a finding that such assessments are in amounts necessary to meet the annual costs of improvements and will continue for the period of time necessary to retire the indebtedness on the improvements (§372.017).
- G. Adjustments of the Principal Amount of Assessments: Apportionments must be based upon the special benefits accruing to a property owner because of an improvement (§372.015(a)). In order to ensure that property owners are not subject to unchecked expansions in project scope and costs, the principal amount of an assessment for a particular project may be adjusted downward under §372.015(d), but not increased. Additional assessments may be made for improvements included in the city's §372.006 findings when creating the PID by following the



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procedures set forth in §§372.013 through 372.018, in the same manner as set forth for phasing. Interest amounts and collection costs may be increased or decreased. Interest expenses and collection costs are treated separately under § 372.018, and should be subject to greater adjustment than principal amounts in order to prevent over collection for those costs, which tend to be variable in nature.

- H. Payments of Assessments By Cities and Counties: Section 372.014(b) states that a municipality or county is responsible for payment of assessments against exempt municipal or county property within a PID. This responsibility for paying costs may not be simply reapportioned among the other property owners in the PID. To the extent that a city does not want to levy an assessment against municipal property, it would be acceptable for a city to take the value of its assessment liability into account when making an apportionment under §372.006. When apportioning the costs under §372.006, the city must specify the specific improvements that will be the responsibility of the city and/or either a dollar amount or percentage of the costs for the improvements which will be paid by the city. It is not sufficient to only indicate that the city will bear a portion of the costs.

**VI. Authorized Projects**

- A. Open Space: PID Bonds may be issued for open space under the theory that Section 372.003(b)(10) and (11) authorize park improvements and other similar improvements.
- B. “Projects Similar” Language: The rule of *ejusdem generis* provides that where general words follow an enumeration of things, such general words are not to be construed in their widest extent, but are to be held to apply to only things of the same general kind or class of those specifically named. As a result, we read Section 372.003 (11) to limit the items that may be financed under Chapter 372 to items that are of the same general character of those specifically named.
- C. Acquisition of Existing Improvements: Section 372.010(c) states that actual construction of an improvement may not begin until after the 20<sup>th</sup> day after the date the authorization takes effect (the publication of the city resolution). An acquisition of existing property may not take place until after the 20<sup>th</sup> day after the effective date of the authorization. If construction on a project starts before the 20<sup>th</sup> day after the effective date of the authorization, the project will have to be acquired as if it was an existing improvement, after construction is complete. There may be circumstances under which a city could purchase a project under construction. However, the city would need to ensure that, among other things, it followed the applicable procurement laws, obtained

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protection from the seller for costs overruns, and could reasonably ascertain the value of the improvements and the contract it sought to acquire.

- D. Firefighting Equipment: Expenditures for firefighting equipment to serve the PID are authorized under §372.003(a)(13), which authorizes projects for special supplemental services, including public safety.
- E. Facilities of General Municipal Benefit/Regional Facilities: The costs of a facility that has a general municipal benefit or regional benefit should not be solely borne by the property owners in the PID. Section 372.015 states that PID assessments must be based upon the *special benefits* accruing to the property owners. Further, §372.006 provides that the costs of improvements should be apportioned between the PID and the municipality or county as a whole. To the extent that it cannot be said that a particular tract of property is receiving a special benefit that is different than that accruing to the city as a whole, those costs should be borne by the city and not the property owners in the PID. The Texas Supreme Court has stated

. . . it is clear that the term “special benefit” connotes an enhancement more localized than a general improvement in community welfare, but not necessarily unique to a particular piece of property. A special benefit is one going beyond the general benefit supposed to diffuse itself from the improvement through the municipality.

*Haynes v. City of Abilene*, 659 S.W.2d 638, 641-642 (Tex. 1983). The Court further stated

Special benefit is not merely a creature of statute. Both our state and federal constitutions limit special assessments to the amount of benefit conferred on the property assessed. An assessment against property and its owner . . . on any basis other than for benefits conferred and in an amount materially greater than the benefits conferred violates Section 17 of Article 1 of the Constitution of Texas, which prohibits the taking of private property for public use without just compensation.

*Id* at 641. A violation of these principles may render an assessment void and unenforceable. *Id* at 642. Given the fact that the special benefits finding implicates state and federal constitutional concerns and not simply state law concerns, the city should carefully consider the projects financed through PID assessments. Section 372.003(a) also suggests that general municipal improvements may not be appropriate. It only authorizes improvement projects that confer a special benefit on a definable part of a municipality.

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**VII. Combination Contract Revenue and PID Assessment Bonds**

**A. Basic Principles regarding Joint Utilities Contracts between a Water District and a City**

1. Water districts can only make contract payments under Section 49.108 of the Water Code for projects the district is authorized to undertake.
2. To the extent that a city and a water district are both authorized to undertake a project, the district may make contract payments and the city may pledge assessments.
3. To the extent only the city is authorized to undertake a project, only assessments or assessments combined with another authorized city revenue source would be acceptable.
4. If a water district levies an Art. III, Sec. 52 tax for projects, the tax revenues may only be used for Art. III, Sec. 52 authorized purposes.
5. If a water district levies an Art. XVI, Sec. 59 tax for projects, the taxes can only be used for Art. XVI, Sec. 59 authorized purposes.
6. The PFD has traditionally not allowed water districts to issue bonds for water and sewer purposes (Art. XVI, Sec. 59) and road purposes (Art. III, Sec. 52) in a single series, as different maturities would be secured by different taxes.
7. Art. XVI, Sec. 59(c) (majority vote) and Art. III, Sec. 52(b) (2/3 vote) require that indebtedness of a district be voted. It is from this authorized indebtedness that the district obtains its unlimited taxing power. As a result, it is necessary for the contracts to contain the principal amount of the bonds to be supported by a contract tax voted under each constitutional provision.

**B. Application of the Principles**

1. District contract elections must clearly identify the constitutional provisions pursuant to which a District is voting a contract tax.
2. There should be separate contracts for Art. XVI, Sec. 59 projects and Art. III, Sec. 52 projects, and each contract should be voted in its own proposition.

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3. A contract must contain the principal amount of the obligation being voted under the contract.
4. A substantially complete version of the contract to be approved by the voters, including a description of the improvements and the service area, the maximum amount of the potential expenditures under the contract, and the constitutional authorization for the contract, must be attached as an exhibit to the order calling the election. Additionally, if the contract contains more than one participant, the contract should also identify the additional participants and show an allocation of costs between the participants.
5. There should be separate series of bonds associated with each contract.
6. See the following section for a discussion of the need for assessments to be levied and collected in connection with the issuance of combination contract tax and assessment bonds.

**VIII. Revenue Bonds: Assessments/Contract Revenues/TIF Revenues**

- A. Section 372.026(d) authorizes a governing body to pledge to the payment of bonds all or a portion of any revenues received by the governing body with some limitations. In addition, Section 1371.103(a) also authorizes certain qualifying issuers to pledge any revenues that an issuer is authorized to pledge to the payment of an obligation.

1. Basic Principles:

- a. The bonds must have uniform security.
- b. Section 372.018(b) provides that a landowner must be able to pay, at any time, the entire assessment, with interest that has accrued on the assessment, on any lot or parcel. If assessments are levied for the full amount and *ad valorem* taxes are used to pay the bonds and “buy down” the assessments (as is possible in certain scenarios involving §49.108 contracts), then the right to prepay an assessment on a piece of property is not a real right since the property owner would continue to pay taxes on the same improvements after paying off the assessments. Essentially, a landowner would be paying for the improvements twice if they decided to exercise the prepayment right.

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- c. All revenues pledged to the same series of bonds must be eligible to be spent on all of the projects financed with the bonds.
- d. The provisions of Chapter 372 contemplate that an assessment will be levied and collected in connection with improvements financed under Chapter 372, Subchapter A and Chapter 372 currently provides the only authority for a city to issue bonds secured by contract revenues. Further, unless an assessment is levied and collected for payment of all or a portion of the bonds or improvements to be financed through combination contract revenue and assessment bonds involving a §49.108 contract, the ability to pay all of the debt service from the water district taxes suggests that the arrangement is simply a mechanism for avoiding TCEQ oversight and increasing the amount of payments that may be made to a developer. Such an arrangement would constitute an abusive use of Chapter 372. **SEE ATT'Y GEN. OP. NO. JC-0092 (1999) at 6.**
- e. Section 372.026(d) arguably refers only to revenues received from a third party, which would allow the pledge of revenues received under a contract or a grant, but not TIF revenues or general revenues of the city, unless a city is a 1371 issuer. Further, §§ 372.024 and 372.026(a) provide that revenue bonds are to be payable from and secured by liens on "all or part of the revenue derived from improvements authorized under this subchapter, including revenue derived from installment payments of special assessments." This provision arguably provides a further limitation on the use of certain other revenues of the city.

**2. Application of Principles:**

- a. For combination contract revenue (§49.108) and assessment bonds, an assessment must be levied for some percentage of the project amount. The contract tax may then be used for the remaining percentage for the contract amount. The security would be described so that it applies equally to all bonds. The bond structure would have to contain a mechanism for requiring the redemption of bonds upon the prepayment of assessments by a landowner.
- b. For combination revenue (e.g. TIF revenues) and special assessment bonds, there is an argument for allowing an

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assessment be levied for the full amount of the bonds, and, to the extent that the bonds are paid from TIF revenues, allow the assessments to be bought down on an annual basis. The PID would have to update the assessment role each year in order to ensure that it reflects the current status of the assessments. Arguably, §372.015(d) and §372.020(2) provide authority for such adjustments. This arrangement does not implicate the same concerns that are involved in the §49.108 contract context, as there is not a tax levied for the payment of the bonds. The windfall from growth in the TIRZ would produce the revenues for any payments made toward the debt service rather than there being an affirmative decision by a MUD board to levy a tax at a certain level to pay the debt service on the bonds. As a result, there is not the same concern about people overpaying for the release of the assessment from their property. If they made a choice to prepay their assessments, they would simply be foregoing the possibility that growth in the TIRZ could reduce the amount of their assessments in the future. Arguably, the City would only be able to make a pledge of this nature using its Chapter 1371 powers.

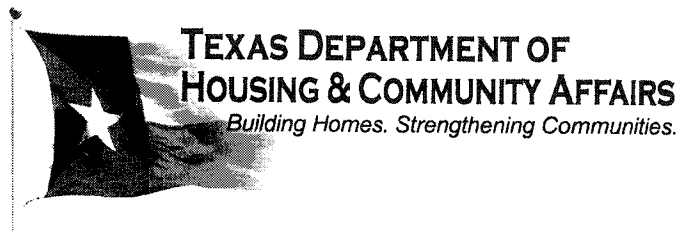
**IX. Temporary Notes**

- A. Section 372.023 authorizes the issuance of temporary notes while an improvement is in progress. We have some concern with respect to the installment payment/assessment requirements of Section 372.023(d) when issuing temporary notes. If properly structured, it may be permissible to issue a BAN payable upon maturity, or prior optional redemption, with revenue bond proceeds.

**X. Refunding Bonds**

- A. Apportionment of Savings: Any savings from a refunding of PID assessment bonds would have to be passed along to the property owners, as the cost of the improvements would be reduced by the amount of the savings. The savings should be reflected in the annual service plan and the assessments levied against property in the PID. See §372.013 through §372.015.

## **Appendix I**



Prepared Materials for the  
**SENATE COMMITTEE ON INTERGOVERNMENTAL  
RELATIONS**

**New Funds to the Department**

Dallas City Hall

Dallas, Texas

May 13, 2010

**TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**  
Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941, Austin, TX 78711  
Main Number: 512-475-3800 Toll Free: 800-525-0657 Fax: 512-469-9606  
Email: [info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us) Web: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)





**Information on New Funds**  
*Prepared for the Senate Committee on Intergovernmental Relations*

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## I. TDHCA PROGRAM OVERVIEW

### Program Snapshot

Activity	Program	Program Description
	Texas First Time Homebuyer Program	<i>Mortgage Loans:</i> Low-interest, fixed rate, 30-year mortgage loans for first time homebuyers <i>Assisted Funds:</i> Grants in conjunction with the First Time Homebuyer Program for down payment and/or closing costs <i>Mortgage Credit Certificate:</i> Annual tax credit based on the interest paid on the homebuyer's mortgage loan
Homebuyer Assistance	Homebuyer Assistance Program and Homebuyer Assistance Program w/ Rehabilitation <sup>1</sup>	Loans for entities to offer down payment and closing cost assistance. Homebuyer Assistance with Rehabilitation offers down payment, closing costs and assistance with minor rehabilitation to the unit.
	Homeownership Program <sup>2</sup>	Forgivable loans to low income households for down payment and closing cost assistance
	Texas Bootstrap Loan Program	Funds entities to offer owner-builder loan programs allowing the owner to contribute "sweat equity"
	Contract for Deed Conversion Initiative	Stabilizes colonia-resident ownership by converting contracts for deed into traditional mortgages, allowing equity to be earned
	Texas Statewide Homebuyer Education Program Colonia Consumer Education Services	Training for nonprofits to provide homebuyer education so that individuals can make informed loan decisions  Homebuyer education, technical assistance for community development activities, infrastructure improvements, outreach and education provided by TDHCA's Colonia Self-Help Centers located along the Texas-Mexico border.
Multifamily Development	Housing Tax Credit Program	Provides building capital through tax credits to develop or preserve affordable rental housing; the largest affordable housing program in the state
	Multifamily Bond Program	Mortgage backed bonds to develop or preserve affordable rental housing
	Rural Housing Expansion Program	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance.
	Rental Housing Development <sup>1</sup>	Loans to develop or preserve affordable rental housing in generally rural communities

Activity	Program	Program Description
Single Family Development	Single Family Development <sup>1</sup>	Loans or grants for Community Housing Development Organizations (CHDOs) to construct single family housing and offer down payment assistance
	Rural Housing Expansion Program	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance.
	Colonia Model Subdivision	Loans for Community Housing Development Organizations (CHDOs) to develop residential subdivisions as an alternative to colonias
Disaster Recovery	Community Development Block Grant Disaster Recovery Program	Funds the rebuilding of homes and communities impacted by hurricanes Rita, Ike, and Dolly, stabilizing lives and rebuilding communities
	Alternative Housing Pilot Program	An alternative housing approach to the FEMA trailers intended to meet a variety of housing needs in areas impacted by the 2005 hurricanes
	Disaster Recovery Gap Assistance	Provides gap financing for households receiving home repair or reconstruction through federally-funded TDHCA disaster recovery programs in order meet costs not covered through federal funds
	Owner-Occupied Housing Assistance Program <sup>1</sup>	Assist eligible homeowners in the repair, rehabilitation and reconstruction of their existing home following a natural disaster, in conjunction with local communities
	Community Services Block Grant Program	CSBG Disaster funds may be directed to assist disaster victims with immediate needs, such as temporary shelter, food, clothing, blankets and bedding, medication, household cleaning supplies, and items of personal hygiene in conjunction with the Community Action Network
	Texas First Time Homebuyer Program: Targeted Funds	First time homebuyer requirements may be waived for areas impacted by disaster. Loans may carry a low interest rate and a grant for down payment and closing cost assistance equal to five percent of the mortgage amount.
Rehabilitation and Weatherization	Owner-Occupied Housing Assistance Program <sup>1</sup>	Loans and grants for entities to provide local home repair, reconstruction and rehabilitation of some of the most challenged housing in rural Texas.
	Rehabilitation Assistance <sup>2</sup>	Grants or loans to entities for rehabilitation of affordable homeownership developments
	Home Free Barrier Removal and Rehabilitation Program <sup>2</sup>	Grants for home modifications that will increase accessibility
	Weatherization Assistance Program	Funds local agencies to provide minor home repairs to increase energy efficiency
Rent Assistance	Tenant-Based Rental Assistance Program <sup>1</sup>	Grants for entities to provide tenant-based rental assistance for two years
	Veterans Rental Assistance <sup>2</sup>	Grants to subsidize rental payments for low-income veterans. Assistance also includes security and utility deposits
	Section 8 Program: Housing Choice Vouchers	Tenant-based rental assistance vouchers
	Section 8 Program: Project Access	Tenant-based rental assistance vouchers for disabled persons transitioning back into their communities

Activity	Program	Program Description
Foreclosure Relief	Texas Foreclosure Prevention Task Force	A partnership of TDHCA, mortgage lenders and servicers, and other government agencies working to reduce foreclosures and provide counseling and options to homeowners at risk.
	National Foreclosure Mitigation Counseling Program	Funds Foreclosure Counselors to assist low income households in avoiding foreclosure
	Neighborhood Stabilization Program	Provides funds to communities to purchase foreclosed properties, affordable housing, and stabilize existing neighborhoods
Poverty and Homelessness Prevention	Emergency Shelter Grants Program	Funds provide shelters and related services to meet the needs of the homeless
	Homeless Housing and Services Program	Provides funds to eligible applicants in Texas' eight largest cities for transition services such as case management, housing placement, and retention.
	Comprehensive Energy Assistance Program	Funds local agencies to offer energy education, emergency utility bill payment assistance, and heating ventilation and air conditioning (HVAC) replacement
	Community Services Block Grant Program	Assists local Community Action Agencies and other eligible entities in providing local essential services, including: access to child care; health and human services for children, families, and the elderly; nutrition; transportation; job training and employment services; substance abuse prevention; migrant assistance; emergency financial assistance; and other related services
Capacity Building	Rural Housing Expansion Program Funding <sup>2</sup>	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance
	Affordable Housing Match Program <sup>2</sup>	Grants to nonprofits and rural communities to allow them to meet match requirements for affordable housing funds otherwise inaccessible
	Bootstrap Self Help Housing Technical Assistance <sup>2</sup>	Technical assistance grants to Bootstrap Program providers in underutilized target areas
Manufactured Housing	Manufactured Housing Division	Regulates the manufactured housing industry. Licenses manufactured housing professionals, titles homes, inspects homes, and investigates manufactured housing complaints

<sup>1</sup> Offered through TDHCA's federally funded Texas HOME Program

<sup>2</sup> Offered through TDHCA's state funded Housing Trust Fund Program

**II. TDHCA IMPLEMENTATION OF ARRA FUNDS**

The following information is a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) by TDHCA. This report provides an update on the status of the activity relating to each of the Recovery Act programs and a summary of the quarterly Section 1512 jobs reporting submitted for January through March 2010.

**Recovery Act Program Summary**

Program	Activities	Program Status	Total Funding	Served to	Timeline / Contract Period
			Expended to Date*	Date**	
			Percent Expended	Jobs Created or Retained	
Weatherization Assistance Program	Minor home repair to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>The Department submitted the Amended WAP Plan to DOE in early March.</li> <li>Contracts executed for 49% of funds, subrecipients drawing funds. Remainder to be awarded to allocated subrecipients based on performance.</li> <li>Deobligation/reobligation rule in effect. Request for Applications published April 22.</li> </ul>	\$326,975,732  \$20,447,138  6.3%	4,669 households  297.3 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010.</li> <li>Recipients will be required to expend all funds within a two year contract period.</li> <li>Federal funding expiration date is March 31, 2012.</li> </ul>
Homelessness Prevention and Rapid Re-Housing Program	Rental assistance, housing search, credit repair, deposits, moving cost assistance, and case management.  Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds.</li> </ul>	\$41,472,772  \$9,737,642  23.5%	15,615 persons  150.1 jobs	<ul style="list-style-type: none"> <li>HUD requires 60% of funds expended in 2 years; 100% in 3 years.</li> <li>Recipients will be required to expend all funds within a two year contract period.</li> </ul>

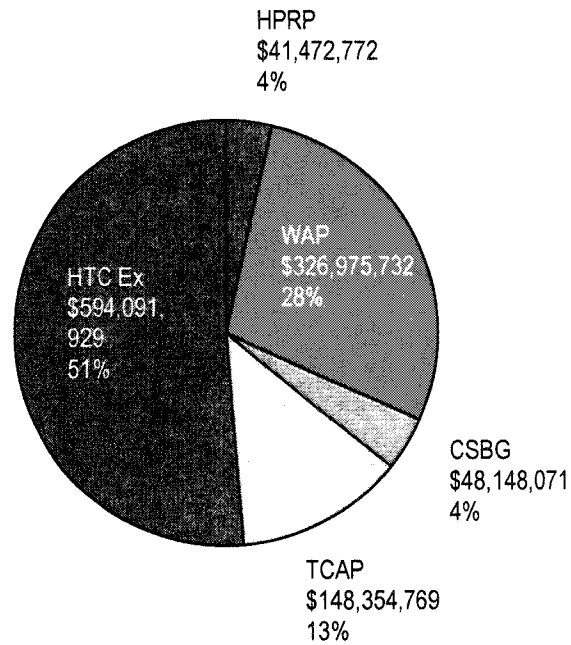
Program	Activities	Program Status	Total Funding		Timeline / Contract Period
			Expended to Date*	Served to Date**	
			Percent Expended	Jobs Created or Retained	
Community Services Block Grant Program	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-related programs.  Persons at or below 200% of poverty.	<ul style="list-style-type: none"> <li>All contracts executed and subrecipients currently drawing funds. Expenditure rates have increased.</li> </ul>	\$48,148,071 \$24,439,912 50.8%	33,946 persons 264.2 jobs	<ul style="list-style-type: none"> <li>Obligation required by September 30, 2010.</li> <li>Recipients required to expend funds within a one year contract period.</li> </ul>
Tax Credit Assistance Program	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements executed for 47 out of 50 awards as of May 5, 2010. Twelve loans have closed.</li> </ul>	\$148,354,769 \$4,631,425 3.1%	1,693 households 93.1 jobs	<ul style="list-style-type: none"> <li>Commitment of 75% of funds required by February 17, 2010.</li> <li>Owners must expend 75% of funds by Feb 17, 2011.</li> <li>Owners must expend 100% of funds by February 17, 2012.</li> </ul>
Housing Tax Credit Exchange Program	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments.  Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>Written agreements have been executed for 20 out of 87 awards as of May 5, 2010.</li> </ul>	\$594,091,929 \$15,237,346 2.6%	1,969 households 1,519 jobs	<ul style="list-style-type: none"> <li>Unused funds to be returned by December 2012.</li> </ul>
<b>Total</b>			\$1,159,043,273 \$74,493,463 6.4%	49,561 persons 8,035 households 2,323.7 jobs	

\*This table includes updated expenditure data as of 4/30/10.

\*\*Total served data through 3/31/10 for CSBG and HPRP; 5/3/10 for WAP, TCAP and HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^Jobs created or retained between 1/1/10 and 3/31/10. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 3/31/10.

## Allocation of Recovery Act Funds Awarded to TDHCA



Program	Amount
HTC Exchange (HTC Ex)	\$594,091,929
Weatherization Assistance Program (WAP)	\$326,975,732
Tax Credit Assistance Program (TCAP)	\$148,354,769
Community Services Block Grant (CSBG)	\$48,148,071
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	\$41,472,772
<b>Total</b>	<b>\$1,159,043,273</b>

### III. Disaster Recovery

#### Federal Disaster Recovery Funding Received by Texas

##### Rita Round 1 (Public Law 109-148)

- \$74.5 million made available to communities affected by Hurricane Rita.
- TDHCA designated lead agency by Governor Perry; TDRA administers funds allocated to non-housing needs.
- 93% of project funds expended; all programmatic activities anticipated to be completed by December 2010.

##### Rita Round 2 (Public Law 109-234)

- \$428.6 million made available to communities affected by hurricanes Katrina and Rita.
- TDHCA designated lead agency by Governor Perry; TDRA administers funds allocated to non-housing needs.
- 65% of project funds expended; all programmatic activities anticipated to be completed by March 2011

##### Ike/Dolly Round 1 (Public Law 110-329)

- \$1.3 billion made available to communities affected by hurricanes Ike and Dolly; of these, \$621,449,116 is budgeted for housing activities.
- TDRA designated lead agency by Governor Perry; TDHCA administers funds allocated to housing needs.
- All funds awarded.

##### Ike/Dolly Round 2 (Public Law 110-329)

- \$1.7 billion to be made available to communities affected by hurricanes Ike and Dolly.
- TDRA designated lead agency by Governor Perry; TDHCA administers funds allocated to housing needs.

#### Status of TDHCA-Administered Funds

##### Rita Round 1 – Public Law 109-148 (\$74.5 million)

<b>Funding for Housing</b>	\$40,888,788 for single family rehabilitation/reconstruction.
<b>Funding for Non-Housing Needs</b>	\$30,294,362 for infrastructure needs. Funds administered by Texas Department of Rural Affairs.
<b>Delivery Model</b>	Services delivered through three Councils of Government (COGs) acting as subrecipients.
<b>Housing Component Achievements</b>	<ul style="list-style-type: none"><li>▪ \$38,102,201 or 93.21% of total funding expended.</li><li>▪ 519 single family homes rehabilitated or reconstructed.</li><li>▪ 12 additional homes will be reconstructed by September 2010.</li></ul>
<i>As of May 4, 2010</i>	
<b>Anticipated Completion of Rita Round 1 Housing Component</b>	December 31, 2010



**Rita Round 1 Housing Expenditure by COG as of May 4, 2010**

	Current Budget	Admin \$ Drawn To Date	Project \$ Drawn To Date	Total Drawn	% of Funds Drawn
<b>DETCOG</b>	\$6,674,546.00	\$674,361.00	\$6,000,185.00	\$6,674,546.00	100.00%
<b>H-GAC</b>	\$7,015,706.00	\$928,253.75	\$5,314,868.64	\$6,243,122.39	88.99%
<b>SETRPC</b>	\$27,198,536.00	\$3,116,016.18	\$22,080,455.50	\$25,196,471.68	92.64%
<b>Totals</b>	\$40,888,788.00	\$4,718,630.93	\$33,395,509.14	\$38,114,140.07	93.21%

**Rita Round 2 – Public Law 109-234 (\$428.6 million)**

**Funding for Housing** \$366,650,606 for owner-occupied housing rehabilitation/reconstruction and multifamily rental restoration. Includes services for Katrina evacuees.

**Delivery Model** Owner-occupied services delivered through use of a prime contractor, ACS; rental restoration administered by TDHCA; provision of direct funding to Harris County and the City of Houston.

**Program Achievements**  
*As of May 4, 2010*

- \$235,213,142 or 65.11% of housing funds expended
- 1,421 single family homes rehabilitated or reconstructed, with an additional 156 currently under construction.
- 1,180 rental units have been rehabilitated or reconstructed with an additional 958 rental units are currently under construction.

**Anticipated Completion of Rita Round 2 Housing Component** March 2011.

**Rita Round 2 Expenditures by Program as of May 4, 2010**

	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
<b>Homeowner Assistance Program (HAP)</b>	\$210,371,273.00	\$125,417,622.06	\$84,953,650.94	59.62%
<b>Sabine Pass Restoration Program (SPRP)</b>	\$12,000,000.00	\$8,107,001.82	\$3,892,998.18	67.56%
<b>Rental Housing Stock Restoration Program (RHSRP)</b>	\$82,779,333.00	\$65,532,553.41	\$17,246,779.59	79.17%
<b>City of Houston</b>	\$41,500,000.00	\$31,120,723.30	\$10,379,276.70	74.99%
<b>Harris County</b>	\$20,000,000.00	\$11,326,659.36	\$8,673,340.64	56.63%
<b>Restoration of Critical Infrastructure Program (TDRA)</b>	\$42,000,000.00	\$26,984,721.81	\$15,015,278.19	64.25%
<b>State Administrative Funds (Admin Funds)</b>	\$19,933,592.00	\$10,573,277.01	\$9,360,314.99	53.04%
	\$428,584,198.00	\$279,062,558.77	\$149,521,639.23	65.11%

**Ike/Dolly Round 1 – Public Law 110-329 (\$1.3 billion)**

**Funding for Housing** \$621,448,377 for owner-occupied rehabilitation/reconstruction, multifamily rental restoration, and other housing-related disaster recovery needs.

**Delivery Model** A “local control” approach *administered by locally identified subrecipients.*

- Program Achievements**  
*As of May 4, 2010*
- All funds awarded.
    - \$562,613,464 to 18 local subrecipients
    - \$58 million to rental developments through state administered programs
  - Four subrecipients have drawn \$3.0 million for start-up expenses and \$3.6 million in project funds. Additionally, 192 projects have been approved for assistance under the City of Houston’s downpayment assistance program.
  - 6,386 households anticipated to be served through local subrecipients.
  - 2,181 rental units are anticipated to be rehabilitated or reconstructed under TDHCA’s rental set-aside; no rental activities were proposed in the Dolly area.

**Ike/Dolly Local Subrecipients Expenditure as of May 4, 2010**

Subrecipient Awards	Current Budget	Cumulative Expenditures	Balance Remaining	Percentage Expended
City of Galveston	\$160,432,233.00	\$0.00	\$160,432,233	0.00%
Galveston County	\$99,503,498.00	\$49,803.30	\$99,453,694.70	0.05%
South East Texas Regional Planning Commission	\$95,000,000.00	\$311,202.78	\$94,688,797.22	0.33%
City of Houston	\$87,256,565.00	\$3,669,000.00	\$83,587,565.00	4.20%
Harris County	\$56,277,229.00	\$2,618,325.12	\$53,658,903.88	4.65%
Houston-Galveston Area Council of Governments	\$11,076,980.00	\$0.00	\$11,076,980	0.00%
Liberty County	\$8,878,923.00	\$0.00	\$8,878,923	0.00%
Montgomery County	\$6,909,237.00	\$0.00	\$6,909,237	0.00%
Deep East Texas Council of Governments	\$5,931,070.00	\$23,788.25	\$5,907,281.75	0.40%
Cameron County	\$3,093,750.00	\$0.00	\$3,093,750	0.00%
Hidalgo County	\$2,000,000.00	\$25,167.37	\$1,974,832.63	1.26%
City of Brownsville	\$1,635,318.00	\$0.00	\$1,635,318	0.00%
Fort Bend County	\$1,582,107.00	\$0.00	\$1,582,107	0.00%
Brazos Valley Affordable Housing Corporation	\$948,930.00	\$0.00	\$948,930	0.00%
Willacy County	\$541,287.00	\$0.00	\$541,287	0.00%
East Texas Council of Governments (ETCOG)	\$415,117.00	\$0.00	\$415,117	0.00%
City of Mission	\$209,638.00	\$812.80	\$208,825.20	0.39%
Chambers County	\$20,921,582.00	\$0.00	\$20,921,582	0.00%
<b>Total:</b>	<b>\$562,613,464.00</b>	<b>\$6,698,099.62</b>	<b>\$555,915,364.38</b>	<b>1.19%</b>

**Ike/Dolly Round 2 – Public Law 110-329 (\$1.7 billion)**

**Overview of Events Related to Ike/Dolly Round 2 Funding**

Planning for Ike/Dolly Round 2 began as fundamentally identical to Round I (*administered by locally identified subrecipients*) except that the allocation was to have been based on a new damage model developed by a contractor, HNTB, engaged by TDRA. A very protracted and complex process has unfolded surrounding the use of CDBG disaster recovery funds for efforts to recover from the effects of hurricanes Ike and Dolly. Below are key dates.

**Key Dates Related to Ike/Dolly Funding**

<b>September 30, 2008</b>	Congress enacts legislation (PL 110-329) to appropriate funding for CDBG disaster recovery efforts in impacted states.
<b>February 13, 2009</b>	HUD announces initial funding of \$1.3 billion for Texas (Ike/Dolly Round 1) and publishes requirements to access Ike/Dolly Round I through the submission of an Action Plan in the <i>Federal Register</i> .
<b>March 4, 2009</b>	TDRA, as the agency identified by Governor Perry to administer the State of Texas grant, submits its Action Plan to HUD. TDRA oversees infrastructure and economic development programs, and TDHCA is assigned oversight of housing programs. The Action Plan: <ul style="list-style-type: none"> <li>▪ Allocates funds to eligible Councils of Governments (COGs) and allows them to develop, based on public input, how the funds will be used. The allocation is based predominantly on FEMA data regarding levels of damage sustained in different areas, but it is adjusted to address the fact that the FEMA data in the Lower Rio Grande Valley was incomplete; additional funds are taken out of the project planning funds available to the state and reprogrammed to recovery activity in that area.</li> <li>▪ Requires the COGs to develop methods of distribution (MODs) that identify who the subrecipients will be that will be charged with line administration of the recovery funds and what activities they will administer.</li> </ul>
<b>March 19, 2009</b>	HUD approves the state's Action Plan for Ike/Dolly Round I.
<b>July 24, 2009</b>	All MODs for Ike/Dolly Round I have been approved.
<b>August 14, 2009</b>	HUD publishes in the <i>Federal Register</i> notice of its requirements to access additional \$1.7 billion in funds available to Texas (Ike/Dolly Round 2). This requires submission of an amendment to the Action Plan that had been previously submitted in connection with Ike/Dolly Round 1.
<b>September 30, 2009</b>	TDRA files an Action Plan Amendment with HUD to access Ike/Dolly Round 2 funds. This amendment allocates Ike/Dolly Round 2 funds based on a new methodology developed for TDRA by a contractor, HNTB
<b>October 28, 2009</b>	Texas Low Income Housing Information Service (TXLIHIS) and Texas Appleseed file an administrative complaint with HUD, alleging that: <ul style="list-style-type: none"> <li>▪ The state's allocation model was not a proper basis for allocation</li> <li>▪ The state had not submitted a fully compliant action plan.</li> <li>▪ The state had not given the public proper opportunity for comment</li> <li>▪ The state's subrecipients could not all certify that they were meeting their obligation to affirmatively further fair housing.</li> <li>▪ HUD takes no direct action with the state on the Complaint</li> </ul>
<b>November 10, 2009</b>	HUD sends a letter withholding approval, citing the allocation model and public participation and expressing concerns over the age of the state's analysis of impediments to fair housing choice (AI), as required by Fair Housing to receive HUD funds so that a HUD recipient may certify that it is affirmatively furthering fair housing

<p><b>December 1, 2009</b></p>	<p>TXLIHIS (later joined by Texas Appleseed) files a Fair Housing Complaint with HUD alleging that:</p> <ul style="list-style-type: none"> <li>▪ The state's allocation model was fatally flawed and did not provide funds to the most impacted areas.</li> <li>▪ The state's analysis of impediments to fair housing choice (AI) was dated and failed to incorporate data, making it insufficient and inadequate and, therefore, the state's required certification that it was complying with its statutory obligation to affirmatively further fair housing was a potential false claim under federal False Claims Act.</li> </ul> <p>As a result of the complaint, HUD was required to withhold approval of the Action Plan Amendment until these issues had been corrected.</p>
<p><b>From December 2009 through April 10, 2010</b></p>	<p>Discussion that became negotiations occurred on a conciliation agreement involving TXLIHIS, Texas Appleseed, and the state (TDRA, TDHCA, OAG and Governor's Office) attempting to resolve the Fair Housing Complaint and its precursor administrative complaint. Although these complaints are the responsibility of one arm of HUD (overseen by Asst. Sec. John Traviña) and the approval of the Action Plan amendment for Ike/Dolly Round II funds (the allocation to regions) is the responsibility of another arm of HUD (overseen by Asst. Sec. Mercedes Marquez) there it appeared that there was a linkage of the issues. Both areas of difference will need to be resolved in order for the state to access Round 2 funds.</p>
<p><b>April 10, 2010</b></p>	<ul style="list-style-type: none"> <li>▪ A final conciliation agreement is executed and submitted to HUD for approval. The agreement provides the blueprint for how funds will be used once the allocation is agreed to by HUD.</li> <li>▪ HUD has verbally committed that the funding allocation issue has been resolved in principle by negotiations with Asst. Sec. Marquez.</li> </ul> <p>The state concluded that negotiating an acceptable conciliation agreement and adjusting the funding allocation would be necessary if the state wanted to access these funds without litigation that would be expensive and time intensive and lead to multi-year delays.</p>

**Status of Ike/Dolly Funds as of May 4, 2010:**

1. \$1.3 billion in Ike/Dolly Round 1 funds are being administered in accordance with the state's action plan.
2. Before the \$1.7 billion in Ike/Dolly Round 2 funds may be accessed:
  - a. The state must engage a qualified consultant to perform an interim analysis of impediments to fair housing choice (AI) for the areas to be served by these funds.
  - b. An Action Plan amendment will be developed to afford the public opportunity to comment on the allocation. Features of the conciliation agreement will be in the amendment.
  - c. Once the AI is complete the state will provide extensive training on the AI and what it means to affirmatively further fair housing. The COGs will develop methods of distribution (MODs) informed by the AI.

These processes are anticipated to be complete and Round 2 funds to become available in early 2011. In the meantime, Round 1 funds will continue to be administered.

### Sample Housing: Rita Round 1

516 Single family homes rehabilitated or constructed to date



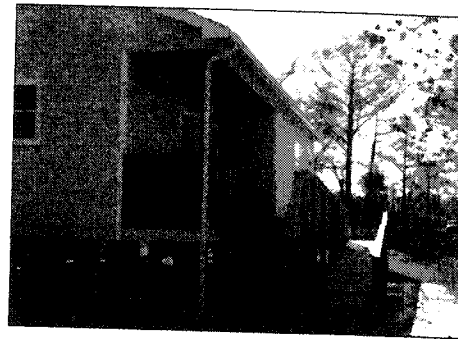
Daisetta, TX



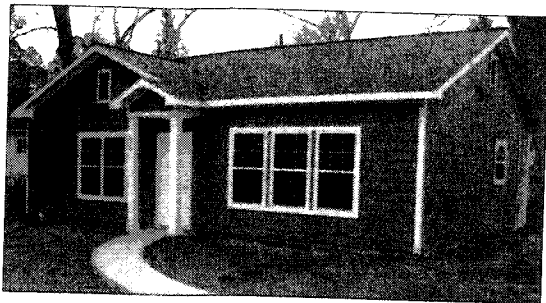
Port Arthur, TX



Orange, TX



Orange, TX



Sour Lake, TX



Orange, TX

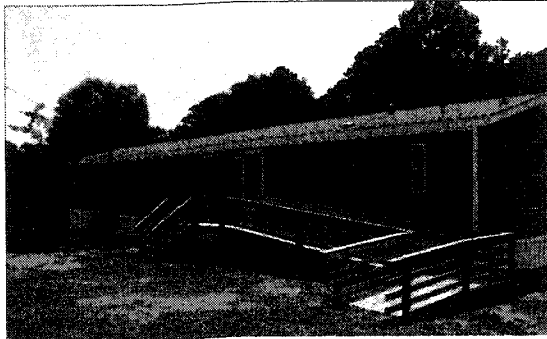
### Sample Housing: Rita Round 2 - Sabine Pass Restoration Program (SPRP)

69 Households served to date



### Sample Housing: Rita Round 2 - Homeowner Assistance Program (HAP)

1,296 Homes rehabilitated or constructed to date



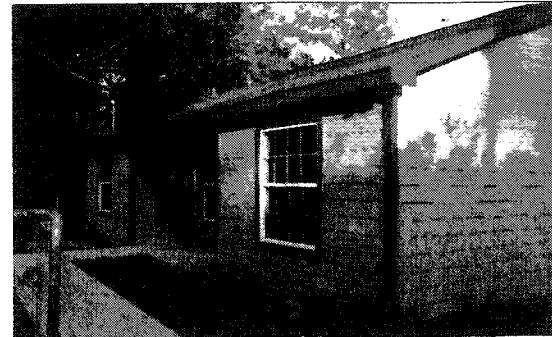
Jasper, TX



Port Arthur, TX



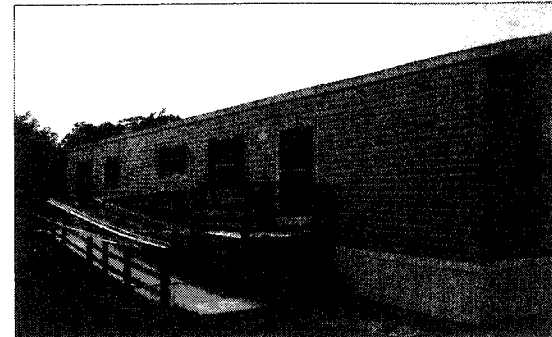
Jasper, TX



Beaumont, TX



Nederland, TX



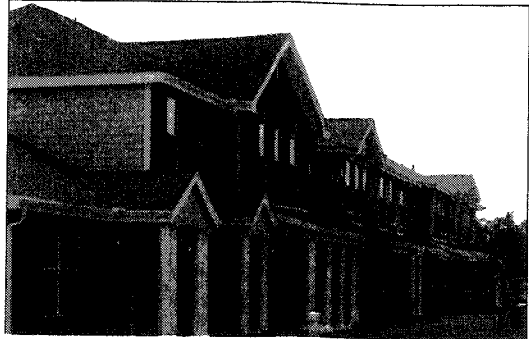
China, TX

### Sample Housing: Rita Round 2 - Rental Development Activity

1,180 Rental units rehabilitated or constructed to date



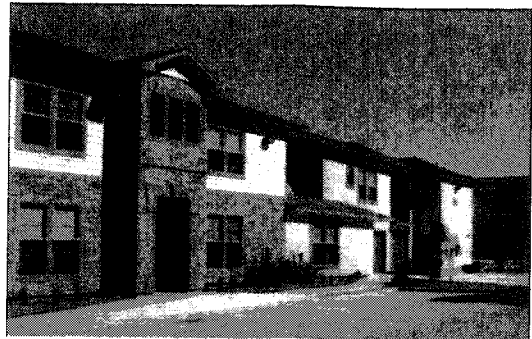
Orange, TX



Beaumont, TX



Port Arthur, TX



Port Arthur, TX



Port Arthur, TX



Beaumont, TX



**IV. HOUSING AND HOMELESS SERVICES PROGRAM**

**Purpose**

The Homeless Housing and Services Program (HHSP) is designed for the purposes of assisting regional urban areas in providing services to homeless individuals and families, including the construction of facilities, direct services, case management, homeless prevention, housing retention and rental assistance.

**Funding Amount**

For the first time in its history, the Texas Legislature during the 81<sup>st</sup> Session appropriated General Revenue funds for state programs aimed at serving homeless populations. The Legislature appropriated \$20 million dollars over the 2010-11 biennium for this program to be administered by the TDHCA.

**Program Summary**

The chart below lists each HHSP awardee, the amount of the award, the amount of funds drawn down to date, and a summary of the activities which each awardee will carry out through the HHSP Program.

**Recipient List**

City Name	Direct Recipient Name	Award Amount	Funds Drawn to Date	Summary of Activity
City of Arlington	City of Arlington	\$976,295	\$244,074	<p>The City of Arlington will assist homeless persons through the Arlington HHSP Tenant Based Rental Assistance program.</p> <p>Eligible participants will pay 30% of their adjusted income for rent and the HHSP TBRA program will pay the balance of the rent to the owner or agent of the assisted dwelling unit.</p>
City of Austin	City of Austin	\$1,922,498	\$480,625	<p>The City of Austin will support one existing homeless services contract and solicit applications for two other service types.</p> <p>One of the projects to be funded is the Austin Resource Center for the Homeless (ARCH) who will provide case management services, in a City-owned facility.</p>

City Name	Direct Recipient Name	Award Amount	Funds Drawn to Date	Summary of Activity
City of Corpus Christi	Mother Theresa Shelter, Inc.	\$779,446	\$194,862	<p>The City of Corpus Christi has designated Mother Theresa's Shelter as the Sole Designee of HHSP funds.</p> <p>Mother Theresa's Shelter will use HHSP funds to acquire property adjacent to their current location for the construction of a transitional housing group home. Additionally, Mother Theresa's Shelter will utilize HHSP funds to expand personal hygiene and laundry facilities to provide expanded services to the homeless.</p>
City of Dallas	City of Dallas	\$3,361,364	\$840,341	<p>The City of Dallas will serve as the lead agency and the City's primary partner will be Metro Dallas Homeless Alliance (MDHA), operators of The Bridge.</p> <p>The Bridge will serve as the primary project performance location providing day shelter, night shelter, wraparound services, job placement opportunities, housing placement assistance, and evaluation of eligibility for benefits assistance.</p> <p>Both transitional and permanent housing units will be made available through MDHA's many partnerships, including the CODs' Project Reconnect and the Dallas Housing Authority.</p>
City of El Paso	City of El Paso, Dept. of Community and Human Development	\$1,626,459	\$406,615	<p>The City of El Paso will utilize HHSP funding to support 14 partner agencies to increase needed services to families including children, victims of domestic violence, homeless individuals and homeless migrant workers.</p> <p>Transitional services, including case management, will also be increased allowing agencies to secure permanent housing and/or re-housing, training and other services that will lead to self-sufficiency and sustainability.</p>

City Name	Direct Recipient Name	Award Amount	Funds Drawn to Date	Summary of Activity
City of Fort Worth	United Way of Tarrant County	\$1,667,312	\$416,828	<p>The City of Fort Worth will subcontract with the City of Fort Worth Housing Authority, Catholic Charities, Day Resource Center, Presbyterian Night Shelter, The Salvation Army, Workforce Solutions, TXRS, Tarrant County Homeless Coalition, and another organization to provide tenant based supportive services.</p> <p>The City's subcontractors will provide Permanent Supportive Housing Vouchers, Voucher-linked Supportive Services, Shelter-based Case Management, Job Specialists, and a Mobile Assertive Street Engagement Team.</p>
City of Houston	City of Houston, Housing and Community Development Dept.	\$5,756,053	\$1,439,013	<p>The City of Houston will subcontract with SEARCH's Housing PLUS program, the Collaborative Episcopal Initiative, and Bread of Life's Day Break program to provide case management and directed services to Houston's homeless population.</p>
City of San Antonio	Haven for Hope of Bexar County	\$3,410,574	\$852,644	<p>Haven for Hope will utilize HHSP funds to complete construction of facilities to house homeless persons and to provide services to homeless persons. Upon completion of the buildings located on 37 acres in San Antonio, Haven for Hope will be composed of 15 buildings with about 500,000 square feet.</p> <p>HHSP funds will be invested in all three of the Residential Facilities on the Haven for Hope Campus.</p>
<b>Total HHSP funding</b>		<b>\$19,500,000</b>	<b>\$4,875,000</b>	

**V. HOUSING TRUST FUND**

**Purpose**

The Texas Housing Trust Fund (HTF) is the only state-authorized affordable housing program which provides loans, grants, or other comparable forms of assistance to finance, acquire, rehabilitate, and develop decent, safe, and sanitary affordable housing. Eligible applicants may include local units of government, public housing authorities, nonprofit organizations and for-profit organizations. TDHCA focuses the HTF on activities that target very low income, rural and special needs populations. Applicants must demonstrate how the project funds will address an identified affordable housing need in their area.

**Funding Amounts**

The 81<sup>st</sup> Legislature allocated a significant increase to the General Revenue appropriated Housing Trust Fund, nearly doubling the prior biennial appropriation.

	2010	2011	Total Biennium
Single Family (SF)	\$10,660,768	\$10,660,768	\$21,327,750
Multifamily (MF)	\$303,107	\$303,107	\$606,214
<b>Total Annual Appropriation*</b>	<b>\$10,963,875</b>	<b>\$10,963,875</b>	<b>\$21,927,750</b>

*\* To cover the direct and indirect costs of administering the program, TDHCA is withholding approximately \$750,000 per year for each year of the biennium. Total administration will be approximately \$1,500,000, which is 7% of the appropriation. Additionally, two other sources of funds are being added to for programming: \$1,200,000 in available funds from deobligated funds, loan repayments, and interest earnings that are in excess of the funds required under Rider 9 and \$200,000 of funds previously programmed for capacity building activities that were not released, for a total of \$1,400,000.*

The TDHCA Board on May 12, 2010, was presented with an HTF Plan Amendment that reflects the application of a 5% reduction in the amount of \$1,950,000 to General Revenue required of the Department. This prompted the postponement of the Rental Housing Development program activity; this activity was selected for the reduction because of the other resources available at TDHCA for rental activity. Programming of funds, after approval of the amendment, is as follows:

**HTF Plan submitted to the Legislature for FYs 10-11**

Use of Funds	2010-2011 Funds
Bootstrap	\$10,000,000
Self Help Housing Training Institute*	\$500,000
Disaster Recovery Gap Assistance	\$1,000,000
Veterans Housing Assistance	\$2,000,000
Home Free Barrier Removal and Rehabilitation Program	\$1,500,000
Rental Development Fund for Unique Housing Needs	\$2,000,000
Homeownership SuperNOFA	\$2,577,750
Rural Housing Expansion	\$2,000,000
Affordable Housing Match Program	\$750,000
<b>Total Plan Programs</b>	<b>\$21,827,750</b>

*Note: This \$500,000 is part of the \$10,000,000 Bootstrap Program funds as is permitted under 2306.758(c), as amended by the 81<sup>st</sup> Legislature.*

## Progress to Date

### Homeownership Activities

- TDHCA awarded \$895,600 in December 2009 for Home Ownership and Rehabilitation to serve 68 households with housing rehabilitation assistance or down-payment assistance. All households served were at 50% Area Median Income or below.
- TDHCA released a Notice of Funding Availability (NOFA) for the Texas Bootstrap Loan Program in November 2009 for \$11,625,833, \$10 million of which are 2010-11 General Revenue funds
- TDHCA released a \$1.5 million NOFA in February 2010 for the HomeFree Barrier Removal and Rehabilitation Program. Interest was significant as TDHCA received total funding requests in the amount of \$2,358,000. On May 12, 2010, \$1.9 million in awards were made to server 154 low-income households.
- At its May 2010 meeting, the TDHCA Board approved the release of a \$1,682,000 Homeownership Program NOFA for down payment assistance. This amount represents the balance of funds after pending 2009 awards.

### Leveraging Federal Funds Activity

- TDHCA released a \$750,000 Affordable Housing Match Program NOFA in March 2010. Initial awards are anticipated to be made at the July 2010 TDHCA Board Meeting and will be used to provide Texas-based Nonprofit Organizations, Community Development Financial Institutions (CDFIs), and Rural municipalities and counties the direct match funds needed to apply for affordable housing funding that, without the required direct match, may otherwise not be accessed.

### Capacity Building with Direct Production of Affordable Housing Activity

- In March 2010, TDHCA released a \$1.75 million NOFA for the Rural Housing Expansion Program. Initial awards are anticipated to be made at either the June or July TDHCA board meeting. The program will simultaneously provide capacity building resources and funds for direct housing delivery. It is designed with the understanding that having a commitment of direct delivery funds will allow a recipient entity to fully develop capacity through training, technical assistance and hands-on experience.
- At its March 2010 meeting, the TDHCA Board approved the Rural Housing Expansion Program Design and authorization to release a \$250,000 Request for Qualifications for a Technical Assistance Provider. The RFQ was released in May 2010 and awards are anticipated to be approved by the TDHCA Board on July 29, 2010.

### Affordable Rental Activity

- TDHCA has placed a \$2 million NOFA for the Rental Housing Development (RHD) Fund for Unique Needs on hold due to 5% budget savings request. This activity can also be met through the Department's strategic usage of Housing Tax Credits.
- TDHCA will release a \$2 million NOFA for the Veterans Rental Assistance (VRA) Program in May 2010. This program will provide rental vouchers to help veterans secure good, quality affordable rental housing.

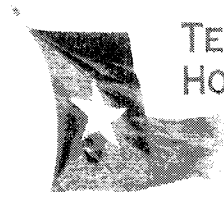
### **Disaster Recovery Gap Funding Activity**

- TDHCA has programmed \$1 million to be used for disaster recovery gap funding assistance. These funds will be drawn down as needed.

### **Outreach Activities**

- HTF held 20 outreach activities so far in FY2010 (September 2009 through April 2010) with 13 of them since January 2010. This includes roundtables, hearings, application workshops, public presentations and contract administrator trainings.





TEXAS DEPARTMENT OF  
HOUSING & COMMUNITY AFFAIRS  
*Building Homes. Strengthening Communities.*

Prepared Materials for the  
SENATE COMMITTEE ON  
INTERGOVERNMENTAL RELATIONS

**UPDATE: New Funds to the Department**

October 19, 2010

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
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Email: [info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us) Web: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)







UPDATE: New Funds to the Department  
*Senate Committee on Intergovernmental Relations*

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## I. TDHCA Program Snapshot

Activity	Program	Program Description
<b>Homebuyer Assistance</b>	Texas First Time Homebuyer Program	<i>Mortgage Loans:</i> Low-interest, fixed rate, 30-year mortgage loans for first time homebuyers <i>Assisted Funds:</i> Grants in conjunction with the First Time Homebuyer Program for down payment and/or closing costs <i>Mortgage Credit Certificate:</i> Annual tax credit based on the interest paid on the homebuyer's mortgage loan
	Homebuyer Assistance Program and Homebuyer Assistance Program w/ Rehabilitation <sup>1</sup>	Loans for entities to offer down payment and closing cost assistance. Homebuyer Assistance with Rehabilitation offers down payment, closing costs and assistance with minor rehabilitation to the unit.
	Homeownership Program <sup>2</sup>	Loans to entities to offer down payment and closing cost assistance for properties being acquired by low income individuals
	Texas Bootstrap Loan Program	Funds entities to offer owner-builder loan programs allowing the owner to contribute "sweat equity"
	Contract for Deed Conversion Initiative <sup>1</sup>	Stabilizes colonia-resident ownership by converting contracts for deed into traditional mortgages, allowing equity to be earned
	Texas Statewide Homebuyer Education Program	Training for nonprofits to provide homebuyer education so that individuals can make informed loan decisions
	Colonia Consumer Education Services	Homebuyer education, technical assistance for community development activities, infrastructure improvements, outreach and education provided by TDHCA's Colonia Self-Help Centers located along the Texas-Mexico border.
<b>Multifamily Development</b>	Housing Tax Credit Program	Provides building capital through tax credits to develop or preserve affordable rental housing; the largest affordable housing program in the state
	Multifamily Bond Program	Mortgage backed bonds to develop or preserve affordable rental housing
	Rental Housing Production <sup>2</sup>	Loans for rental housing development, predevelopment, and other industry innovations
	Rural Housing Expansion Program Funding	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance.
	Rental Housing Development <sup>1</sup>	Loans to develop or preserve affordable rental housing in generally rural communities
<b>Single Family Development</b>	Single Family Development <sup>1</sup>	Loans or grants for Community Housing Development Organizations (CHDOs) to construct single family housing and offer down payment assistance
	Rural Housing Expansion Program Funding	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance.
	Colonia Model Subdivision	Loans for Community Housing Development Organizations (CHDOs) to develop residential subdivisions as an alternative to colonias
<b>Disaster Recovery</b>	Community Development Block Grant Disaster Recovery Program	Funds the rebuilding of homes and communities impacted by Hurricane Rita, stabilizing lives and rebuilding communities
	Alternative Housing Pilot Program	An alternative housing approach to the FEMA trailers intended to meet a variety of housing needs in areas impacted by the 2005 hurricanes

Activity	Program	Program Description
<i>Disaster Recovery (Continued)</i>	Disaster Recovery Gap Assistance <sup>2</sup>	Provides gap-financing for households receiving home repair or reconstruction through federally-funded TDHCA disaster recovery programs in order meet costs not covered through federal funds
	Owner-Occupied Housing Assistance Program <sup>1</sup>	Assist eligible homeowners in the repair, rehabilitation and reconstruction of their existing home following a natural disaster, in conjunction with local communities
	Community Services Block Grant Program	CSBG Disaster funds may be directed to assist disaster victims with immediate needs, such as temporary shelter, food, clothing, blankets and bedding, medication, household cleaning supplies, and items of personal hygiene
	Texas First Time Homebuyer Program: Targeted Funds	First time homebuyer requirements may be waived for areas impacted by disaster. Loans may carry a low interest rate and a grant for down payment and closing cost assistance equal to five percent of the mortgage amount.
<b>Rehabilitation and Weatherization</b>	Owner-Occupied Housing Assistance Program <sup>1</sup>	Loans and grants for entities to provide local home repair, reconstruction and rehabilitation of some of the most challenged housing in rural Texas.
	Rehabilitation Assistance <sup>2</sup>	Grants or loans to entities for rehabilitation of affordable homeownership developments
	Home Free Barrier Removal and Rehabilitation Program <sup>2</sup> Weatherization Assistance Program	Grants for home modifications that will increase accessibility. Funds local agencies to provide minor home repairs to increase energy efficiency
<b>Rent Assistance</b>	Tenant-Based Rental Assistance Program <sup>1</sup> Rental Assistance <sup>2</sup>	Grants for entities to provide tenant-based rental assistance for two years Grants for entities to subsidize rental payments. Assistance also includes security and utility deposits
	Texas Veterans Housing Support Program <sup>2</sup> Section 8 Program: Housing Choice Vouchers	Grants for entities to subsidize rental payments to veterans. Assistance also includes security and utility deposits
	Section 8 Program: Project Access	Tenant-based rental assistance vouchers
		Tenant-based rental assistance vouchers for disabled persons transitioning back into their communities
<b>Foreclosure Relief</b>	Texas Foreclosure Prevention Task Force	A partnership of TDHCA, mortgage lenders and servicers, and other government agencies working to reduce foreclosures and provide counseling and options to homeowners at risk.
	National Foreclosure Mitigation Counseling Program	Funds Foreclosure Counselors to assist low income households in avoiding foreclosure
	Neighborhood Stabilization Program	Provides funds to communities to purchase foreclosed properties, affordable housing, and stabilize existing neighborhoods
<b>Poverty and Homelessness Prevention</b>	Emergency Shelter Grants Program	Funds provide shelters and related services to meet the needs of the homeless
	Homeless Housing and Services Program	Provides funds to eligible applicants in Texas' eight largest cities for transition services such as case management, housing placement, and retention.
	Comprehensive Energy Assistance Program	Funds local agencies to offer energy education, emergency utility bill payment assistance, and heating ventilation and air conditioning (HVAC) replacement
	Community Services Block Grant Program	Assists local Community Action Agencies and other eligible entities in providing local essential services, including: access to child care; health and human services for children, families, and the elderly; nutrition; transportation; job training and employment services; substance abuse prevention; migrant assistance; emergency financial assistance; and other related services

Activity	Program	Program Description
<b>Capacity Building</b>	Rural Housing Expansion Program Funding	Loans or grants for rural communities seeking to develop single or multifamily housing. Provided in conjunction with capacity building assistance.
	Affordable Housing Match Program	Grants to nonprofits and rural communities to allow them to apply for affordable housing funds otherwise inaccessible.
	Bootstrap Self Help Housing Technical Assistance	Technical assistance grants to Bootstrap Program providers in underutilized target areas.
<b>Manufactured Housing</b>	Manufactured Housing Division	Regulates the manufactured housing industry. Licenses manufactured housing professionals, titles homes, inspects homes, and investigates manufactured housing complaints

- <sup>1</sup> Offered through TDHCA's federally funded Texas HOME Program
- <sup>2</sup> Offered through TDHCA's state funded Housing Trust Fund Program

## II. TDHCA Implementation of ARRA Funds

The following information is a Status Report on the Implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act) funds administered by TDHCA. This report provides an update on the status of the activity relating to each of the Recovery Act programs and a summary of the quarterly Section 1512 jobs reporting submitted for July through September 2010.

### Recovery Act Program Summary

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date** Jobs Created or Retained	Timeline / Contract Period
<b>Weatherization Assistance Program</b>	Minor home repairs to increase energy efficiency, maximum \$6,500 per household.  Households at or below 200% of poverty.	<ul style="list-style-type: none"> <li>▪ Subrecipients are currently weatherizing approximately 2,000 homes per month.</li> <li>▪ TDHCA recently received access to the 2nd 50% of its award from DOE.</li> <li>▪ Texas ranks 5th nationally for WAP job creation last quarter.</li> </ul>	\$326,975,732 \$85,818,173 26.25%	17,842 households 943.3 jobs	<ul style="list-style-type: none"> <li>▪ Obligation required by 09/30/10.</li> <li>▪ Recipients will be required to expend all funds within a two-year contract period.</li> <li>▪ Federal funding expiration date is 03/31/12.</li> </ul>
<b>Homelessness Prevention and Rapid Re-Housing Program</b>	Rental assistance, housing search, credit repair, deposits, moving cost assistance, and case management.  Persons at or below 50% AMI.	<ul style="list-style-type: none"> <li>▪ All contracts executed and subrecipients currently drawing funds.</li> <li>▪ The Texas HPRP program ranks 1st nationally for job creation last quarter.</li> <li>▪ Texas also ranks 13th in expenditures through last quarter.</li> </ul>	\$41,472,772 \$19,286,841 46.50%	39,923 persons 154.52 jobs	<ul style="list-style-type: none"> <li>▪ HUD requires 60% of funds expended in 2 years; 100% in 3 years.</li> <li>▪ Recipients will be required to expend all funds within a two-year contract period.</li> </ul>
<b>Community Services Block Grant Program</b>	Assists existing network of Community Action Agencies with services including child care, job training, and poverty-	<ul style="list-style-type: none"> <li>▪ Program expenditure deadline of September 30, 2010 has passed. Subrecipients have 60 additional days to close out. Anticipate total expenditures of 99.92%.</li> </ul>	\$48,148,071 \$45,769,219 95.06%	98,871 persons 356.69 jobs	<ul style="list-style-type: none"> <li>▪ Obligation required by 09/30/10.</li> <li>▪ Recipients required to expend funds within a one-</li> </ul>

Program	Activities	Program Status	Total Funding Expended to Date* Percent Expended	Served to Date** Jobs Created or Retained	Timeline / Contract Period
	related programs. Persons at or below 200% of poverty.				year contract period.
<b>Tax Credit Assistance Program</b>	Provides assistance for 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>■ Total of 65 Active Applications for TCAP and 52 fully executed Written Agreements</li> <li>■ Thirty eight (38) loans have closed, with 10 in queue to close soon.</li> </ul>	\$148,354,769 \$38,902,095 26.22%	5,391 households 157.59 jobs	<ul style="list-style-type: none"> <li>■ Commitment of 75% of funds required by 02/17/10.</li> <li>■ Owners must expend 75% of funds by 02/17/11.</li> <li>■ Owners must expend 100% of funds by 02/17/12.</li> </ul>
<b>Housing Tax Credit Exchange Program</b>	Provides assistance to 2007, 2008 or 2009 Housing Tax Credit awarded developments. Households at or below 60% AMI.	<ul style="list-style-type: none"> <li>■ Written agreements have been executed for 84 out of 85 awards as of October 13, 2010.</li> <li>■ 43 developments have met the 30% test</li> </ul>	\$594,091,929 \$143,206,019 24.11%	7,684 households 9,151 jobs	<ul style="list-style-type: none"> <li>■ State must award all funds by 12/31/10.</li> <li>■ Owners must incur 30% of costs by 12/31/10.</li> <li>■ Unused funds to be returned by December 2011.</li> </ul>
<b>Total</b>			\$1,159,043,273 \$332,982,347 28.73%	138,794 persons 30,917 households 1,612.13 jobs	

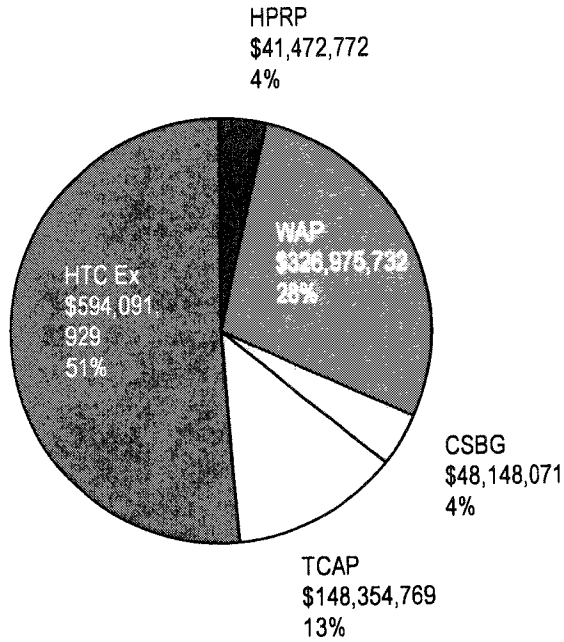
\* This table includes updated expenditure data as of 10/08/10.

\*\* Total served data through 9/30/10 for HPRP and 9/30/2010 for CSBG; 10/13/10 for WAP, 10/13/2010 for TCAP; and 10/13/2010 for HTC Ex. For TCAP and HTC Ex, households represent closed transactions.

^ Jobs created or retained between 7/1/10 and 9/30/10. Note that Section 1512 reporting is not required for HTC Exchange and the figure includes total estimated jobs to be created or retained as reported to the U.S. Department of Treasury for 9/30/10.

^^ Program expenditures reported for each program includes subrecipient and TDHCA admin expenses. Information is updated quarterly. Data was submitted to Recovery.gov for quarter ending 9/30/2010.

### Recovery Act Funds Awarded to TDHCA



Program	Amount
HTC Exchange (HTC Ex)	\$594,091,929
Weatherization Assistance Program (WAP)	\$326,975,732
Tax Credit Assistance Program (TCAP)	\$148,354,769
Community Services Block Grant (CSBG)	\$48,148,071
Homelessness Prevention and Rapid Re-Housing Program (HPRP)	\$41,472,772
<b>Total</b>	<b>\$1,159,043,273</b>



### III. Housing and Homeless Services Program

#### Purpose

The Homeless Housing and Services Program (HHSP) is designed for the purposes of assisting regional urban areas in providing services to homeless individuals and families, including the construction of facilities, direct services, case management, homeless prevention, housing retention and rental assistance.

#### Funding Amount

For the first time in its history, the Texas Legislature during the 81st Session appropriated General Revenue funds for state programs aimed at serving homeless populations. The Legislature appropriated \$20 million dollars over the 2010-11 biennium for this program to be administered by the TDHCA.

#### Program Summary

The chart below lists each HHSP awardee, the amount of the award, the amount of funds drawn down to date, and a summary of the activities each awardee will carry out.

City Name	Direct Recipient Name	Award Amount	Funds Drawn to Date	Summary of Activity
City of Arlington	City of Arlington	\$976,295	\$244,074	The City of Arlington will assist homeless persons through the Arlington HHSP Tenant Based Rental Assistance program.  Eligible participants will pay 30% of their adjusted income for rent and the HHSP TBRA program will pay the balance of the rent to the owner or agent of the assisted dwelling unit.
City of Austin	City of Austin	\$1,922,498	\$480,625	The City of Austin will support one existing homeless services contract and solicit applications for two other service types.  One of the projects to be funded is the Austin Resource Center for the Homeless (ARCH) who will provide case management services, in a City-owned facility.
City of Corpus Christi	Mother Theresa Shelter, Inc.	\$779,446	\$214,347	The City of Corpus Christi has designated Mother Theresa's Shelter as the Sole Designee of HHSP funds.  Mother Theresa's Shelter will use HHSP funds to acquire property adjacent to their current location for the construction of a transitional housing group home. Additionally, Mother Theresa's Shelter will utilize HHSP funds to expand personal hygiene and laundry facilities to provide expanded services to the homeless.
City of Dallas	City of Dallas	\$3,361,364	\$1,630,669	The City of Dallas will serve as the lead agency and the

City Name	Direct Recipient Name	Award Amount	Funds Drawn to Date	Summary of Activity
Dallas				<p>City's primary partner will be Metro Dallas Homeless Alliance (MDHA), operators of The Bridge.</p> <p>The Bridge will serve as the primary project performance location providing day shelter, night shelter, wraparound services, job placement opportunities, housing placement assistance, and evaluation of eligibility for benefits assistance.</p> <p>Both transitional and permanent housing units will be made available through MDHA's many partnerships, including the CODs' Project Reconnect and the Dallas Housing Authority.</p>
City of El Paso	City of El Paso, Dept. of Community and Human Development	\$1,626,459	\$681,654	<p>The City of El Paso will utilize HHSP funding to support 14 partner agencies to increase needed services to families including children, victims of domestic violence, homeless individuals and homeless migrant workers.</p> <p>Transitional services, including case management, will also be increased allowing agencies to secure permanent housing and/or re-housing, training and other services that will lead to self-sufficiency and sustainability.</p>
City of Fort Worth	United Way of Tarrant County	\$1,667,312	\$769,136	<p>The City of Fort Worth will subcontract with the City of Fort Worth Housing Authority, Catholic Charities, Day Resource Center, Presbyterian Night Shelter, The Salvation Army, Workforce Solutions, TXRS, Tarrant County Homeless Coalition, and another organization to provide tenant based supportive services.</p> <p>The City's subcontractors will provide Permanent Supportive Housing Vouchers, Voucher-linked Supportive Services, Shelter-based Case Management, Job Specialists, and a Mobile Assertive Street Engagement Team.</p>
City of Houston	City of Houston, Housing and Community Development Dept.	\$5,756,053	\$1,439,013	<p>The City of Houston will subcontract with SEARCH's Housing PLUS program, the Collaborative Episcopal Initiative, and Bread of Life's Day Break program to provide case management and directed services to Houston's homeless population.</p>
City of San Antonio	Haven for Hope of Bexar County	\$3,410,574	\$852,644	<p>Haven for Hope will utilize HHSP funds to complete construction of facilities to house homeless persons and to provide services to homeless persons. Upon completion of the buildings located on 37 acres in San Antonio, Haven for Hope will be composed of 15 buildings with about 500,000 square feet.</p> <p>HHSP funds will be invested in all three of the Residential Facilities on the Haven for Hope Campus.</p>
<b>Total HHSP Funding</b>		<b>\$19,500,000</b>	<b>\$7,164,805</b>	

## IV. Housing Trust Fund

### Purpose

The Texas Housing Trust Fund (HTF) is the only state-authorized affordable housing program which provides loans, grants, or other comparable forms of assistance to finance, acquire, rehabilitate, and develop decent, safe, and sanitary affordable housing. Eligible applicants may include local units of government, public housing authorities, nonprofit organizations and for-profit organizations. TDHCA focuses the HTF on activities that target very low income, rural and special needs populations. Applicants must demonstrate how the project funds will address an identified affordable housing need in their area.

### Funding Amount

The 81st Legislature allocated a significant increase to the General Revenue appropriated Housing Trust Fund, nearly doubling the prior biennial appropriation. The Department was appropriated funds as noted below for the 2010-2011 biennium:

	2010	2011	Total Biennium
Single Family (SF)	\$10,660,768	\$10,660,768	\$21,327,750
Multifamily (MF)	\$303,107	\$303,107	\$606,214
<b>Total Annual Appropriation</b>	<b>\$10,963,875</b>	<b>\$10,963,875</b>	<b>\$21,927,750</b>

### HTF Plan Submitted to Legislature for FYs 11-12 \*

Use of Funds	2010-2011 Funds
Bootstrap	\$10,000,000
Self Help Housing Training Institute**	\$500,000
Disaster Recovery Gap Assistance	\$1,000,000
Veterans Housing Assistance	\$2,000,000
Home Free Barrier Removal and Rehabilitation Program	\$1,500,000
Rental Development Fund for Unique Housing Needs*	\$0
Homeownership SuperNOFA	\$2,577,750
Rural Housing Expansion	\$2,000,000
Affordable Housing Match Program	\$750,000
<b>Total Plan Programs</b>	<b>\$19,827,750</b>

\* The original Plan submitted included \$2 million for unique housing needs rental activity. As part of the General Revenue budget savings the Plan was amended and this activity put on hold. Approved adjustment targets subsequently reinstated \$883,992 which is being applied to other activities

\*\* This \$500,000 is part of the \$10,000,000 Bootstrap Program funds as is permitted under 2306.758(c), as amended by the 81<sup>st</sup> Legislature

**Note:** Funds available for program reflect the following

- To cover the direct and indirect costs of administering the program, TDHCA is withholding approximately \$750,000 per year for each year of the biennium of appropriated funds. Total administration will be approximately \$1,500,000, which is 7% of the original appropriation.

- Two other sources of funds are being added for programming: \$1,200,000 in available funds from deobligated funds, loan repayments, and interest earnings that are in excess of the funds required under Rider 9 and \$200,000 of funds previously programmed for capacity building activities that were not released, for a total of \$1,400,000.

## Progress to Date

### *Homeownership Activities*

- TDHCA awarded \$895,600 in December 2009 for Home Ownership and Rehabilitation to serve 68 households with housing rehabilitation assistance or down-payment assistance. All households served earn 80% Area Median Family Income or below.
- TDHCA released a Notice of Funding Availability (NOFA) for the Texas Bootstrap Loan Program in November 2009 for \$11,625,833, \$10 million of which are 2010-11 General Revenue funds
- TDHCA released a \$1.5 million NOFA in February 2010 for the Amy Young Barrier Removal Program. Interest was significant as TDHCA received total funding requests in the amount of \$2,358,000. On May 12, 2010, \$1.9 million in awards were made to serve 154 low-income households.
- TDHCA released a \$1,682,000 NOFA in June 2010 for the Homebuyer Assistance Program to assist veterans and first-time homebuyers with down payment and closing costs assistance.

### *Leveraging Federal Funds Activity*

- TDHCA released a \$750,000 Affordable Housing Match Program NOFA in April 2010 to provide Texas nonprofit organizations, rural municipalities and counties, and Community Development Financial Institutions (CDFIs) the direct match funds needed to apply for affordable housing funding that, without the required direct match, may otherwise not be accessed. Interest was significant as TDHCA received total funding requests in the amount of \$1.4 million. By September, 9, 2010, TDHCA committed \$1 million to serve 655 low-income households and leverage \$45.5 million in total project funds from other funding sources.

### *Capacity Building with Direct Production of Affordable Housing Activity*

- TDHCA released a \$1.75 million NOFA in April 2010 for the Rural Housing Expansion Program to build capacity through training and technical assistance in tandem with actual production of housing in rural Texas. On June 28, 2010, TDHCA committed \$1.15 million to create 66 units of affordable rural housing through the Direct Housing Delivery component of the NOFA. TDHCA continues to accept and review applications for the USDA Section 502 Direct Loan Application Assistance component of the NOFA, through which rural nonprofits and municipalities receive support in submitting Section 502 Direct Loan applications to the U.S. Department of Agriculture on behalf of low-income rural households.
- TDHCA reposted a \$250,000 Request for Proposal for a Technical Assistance Provider in July 2010. TDHCA received and is currently evaluating three proposals.

### *Affordable Rental Activity*

- TDHCA released a \$2 million NOFA in June 2010 for the Veterans Rental Assistance Program. This program will provide rental assistance for low-income veterans to secure affordable rental housing.

- TDHCA has placed on hold a \$2 million NOFA for the Rental Housing Development Fund for Unique Needs due to a 5% budget savings request. This activity can also be served through the Department's strategic use of Housing Tax Credits.

*Disaster Recovery Gap Funding Activity*

- TDHCA has programmed \$1 million to be used for disaster recovery gap funding assistance. These funds will be drawn down as needed.

*Outreach Activities*

- For FY2010 (ending August 31, 2010), the Housing Trust Fund conducted 27 outreach events and activities, such as public roundtables, hearings, public presentations, application workshops, and trainings and on-site technical assistance for contract administrators.

## **Appendix J**

**\*\* REVISION \*\*****SENATE  
NOTICE OF PUBLIC HEARING****RECEIVED  
SECRETARY OF SENATE****10 FEB 22 08:58**

**COMMITTEE:** Intergovernmental Relations  
**TIME & DATE:** 11:00 AM, Tuesday, February 23, 2010  
**PLACE:** 2E.20 (Betty King Cmte. Rm.)  
**CHAIR:** Senator Royce West

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The Senate Intergovernmental Relations Committee will meet on Tuesday, February 23, 2010 at 11:00 a.m. in 2E.20 (Betty King Room). The Committee will hear invited testimony only on the following interim charges:

**Senate Interim Charge 2:**

Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.

**Senate Interim Charge 4:**

Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.

**Senate Interim Charge 6:**

Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights.

Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.

**Senate Interim Charge 7:**

Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.

**Senate Interim Charge 8:**

Review the statutory authority granted to municipal management management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

No public testimony will be taken at this hearing. Invited testimony only.

\*\* See Committee Coordinator for previous versions of the schedule \*\*

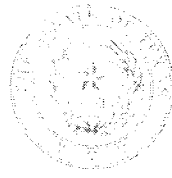
**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, SUCH AS A SIGN LANGUAGE INTERPRETER OR PERSONAL ASSISTIVE LISTENING DEVICES, ARE REQUESTED TO CONTACT THE SENATE COMMITTEE COORDINATOR AT 512/463-0070, 72 HOURS PRIOR TO THE MEETING SO APPROPRIATE ARRANGEMENTS CAN BE MADE.



# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

SENATOR ROYCE WEST  
*Chairman*



SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO GALLEGOS  
SENATOR DAN PATRICK  
SENATOR JEFF WUNTWORTH

## MEETING AGENDA

*Betty King Room 2E.20*

*Austin, Texas*

*Tuesday, February 23, 2010*

*11:00 a.m.*

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **OPENING REMARKS**
- IV. **COMMITTEE BUSINESS**
- V. **INVITED TESTIMONY**

*2. Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.*

- A. **L'OREAL STEPNEY, P.E., DEPUTY DIRECTOR, OFFICE OF WATER, TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**
- B. **SUSAN ALEXANDER, ATTORNEY, TEXAS LEGISLATIVE COUNCIL**

*8. Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the*

*consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.*

MMD PANEL:

- A. **SARAH MUNSON, ATTORNEY, TEXAS LEGISLATIVE COUNCIL**
- B. **L'OREAL STEPNEY, P.E., DEPUTY DIRECTOR, OFFICE OF WATER, TEXAS COMMISSION ON ENVIRONMENTAL QUALITY**
- C. **ROBERT RANDOLPH, ATTORNEY**

ESD PANEL:

- A. **GABE BRAKE, ATTORNEY, TEXAS LEGISLATIVE COUNCIL**
- B. **CHARLES STONE, EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF RURAL AFFAIRS**
- C. **JOHN CARLTON, GENERAL COUNSEL, TEXAS STATE ASSOCIATION OF FIRE & EMERGENCY DISTRICTS**

PID PANEL:

- A. **PAM MOORE, ATTORNEY, TEXAS LEGISLATIVE COUNCIL**
- B. **DWIGHT "IKE" SHUPE, ATTORNEY**

*6. Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.*

- A. **DANIEL DIERSCHKE, FORMER STATE DIRECTOR, TEXAS FARM BUREAU**
- B. **SCOTT HOUSTON, DIRECTOR OF LEGAL SERVICES, TEXAS MUNICIPAL LEAGUE**
- C. **OLIN JAYE, CHAIRMAN, 2010 PUBLIC POLICY COMMITTEE, TEXAS ASSOCIATION OF REALTORS**
- D. **DONALD LEE, EXECUTIVE DIRECTOR, TEXAS CONFERENCE OF URBAN COUNTIES**

- E. **NED MUÑOZ**, VP OF REG. AFFAIRS AND GENERAL COUNSEL  
TEXAS ASSOCIATION OF BUILDERS

*7. Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.*

- A. **SCOTT HOUSTON**, DIRECTOR OF LEGAL SERVICES, TEXAS  
MUNICIPAL LEAGUE

- B. **JIM ALLISON**, COUNTY JUDGES AND COMMISSIONERS  
ASSOCIATION

*4. Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.*

- A. **MICHAEL GERBER**, EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF  
HOUSING AND COMMUNITY AFFAIRS

- B. **GUY ROBERT JACKSON**, PRESIDENT AND CEO, CHAMBERS COUNTY  
ABSTRACT CO., INC.

- C. **HEATHER WAY**, DIRECTOR COMMUNITY DEVELOPMENT CLINIC,  
UNIVERSITY OF TEXAS SCHOOL OF LAW

- D. **CHUCK WEMPLE**, ECONOMIC DEVELOPMENT PROGRAM MANAGER,  
HOUSTON-GALVESTON AREA COUNCIL

- VI. **RECESS**

Witness Order / Witness Format

Intergovernmental Relations

February 23, 2010 - 11:00 AM

Alexander, Susan Attorney Austin, TX

(Texas Legislative Council)

Y ON: Interim Committee Charge 2

Allison, Jim General Counsel Austin, TX

(County Judges & Commissioners Assn of TX)

Y ON: Interim Committee Charge 7

Brake, Gabe Attorney Austin, TX

(Legislative Council)

Y ON: Interim Committee Charge 8

Carlton, John General Counsel Austin, TX

(Texas State Association of Fire & Emergency Districts)

Y ON: Interim Committee Charge 8

Dierschke, Don Former State Director Austin, TX

(Texas Farm Bureau)

Y ON: Interim Committee Charge 6

Gerber, Michael Executive Director Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Interim Committee Charge 4

Holcomb, Doug Austin, TX

(Texas Commission on Environmental Quality)

Y ON: Interim Committee Charge 2

Houston, Scott Director of Legal Services Austin, TX

(Texas Municipal League)

Y ON: Interim Committee Charge 6

Y ON: Interim Committee Charge 7

Irvine, Tim Chief of Staff Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Interim Committee Charge 4

Jackson, Guy Robert President Anahuac, TX

(Chambers County Abstract Co. Inc)

Y ON: Interim Committee Charge 4

Jaye, Olin Chairman, 2010 Public Policy Committee Austin, TX

(Texas Association of Realtors)

Y ON: Interim Committee Charge 6

Lee, Donald Executive Director Austin, TX

(Texas Conference of Urban Counties)

Y ON: Interim Committee Charge 6

Moore, Pam Attorney Austin, TX

(Legislative Council)

Y ON: Interim Committee Charge 8

Munoz, Ned Vice President of Regulatory Affairs Austin, TX

(Texas Association of Builders)

Y ON: Interim Committee Charge 6

Munson, Sarah Attorney Austin, TX

(Texas Legislative Council)

Y ON: Interim Committee Charge 8

Randolph, Robert Attorney Houston, TX

(Self)

Y ON: Interim Committee Charge 8

Shupe, Dwight Attorney Fort Worth, TX

(Self)

Y ON: Interim Committee Charge 8

Stephen, L'Oreal Deputy Director Austin, TX

(Texas Commission on Environmental Quality)

Y ON: Interim Committee Charge 8

Y ON: Interim Committee Charge 2

Stone, Charles Executive Director Austin, TX

(Texas Department of Rural Affairs)

Y ON: Interim Committee Charge 8

Way, Heather Director Austin, TX

(UT Community Development Clinic)

Y ON: Interim Committee Charge 4

Wemple, Charles Economic Development Program Manager Houston, TX

(Houston-Galveston Area Council)

Y ON: Interim Committee Charge 4

## MINUTES

### SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Tuesday, February 23, 2010

11:00 a.m.

Betty King Committee Room

\*\*\*\*\*

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Intergovernmental Relations was held on Tuesday, February 23, 2010, in the Betty King Committee Room at Austin, Texas.

\*\*\*\*\*

#### MEMBERS PRESENT:

Senator Royce West  
Senator Dan Patrick  
Senator Jeff Wentworth

#### MEMBERS ABSENT:

Senator Robert Nichols  
Senator Mario Gallegos, Jr.

\*\*\*\*\*

The Chair called the meeting to order at 11:00 a.m. The following business was transacted:

The Chair laid out interim committee charge #2, monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.

The Chair called the following persons to provide invited testimony on interim committee charge #2. See attached witness list. There was no public testimony on this interim committee charge.

At 11:17 a.m., a quorum was established.

The Chair laid out interim committee charge #8, review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

The Chair called the following persons to provide invited testimony on interim committee charge #8. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #6, review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.

At 12:35 p.m., the Committee stood at ease.

At 12:41 p.m., the Committee reconvened.

SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Minutes

Tuesday, January 26, 2010

Page 2

The Chair called the following persons to provide invited testimony on interim committee charge #6. See attached witness list. There was no public testimony on this interim committee charge.

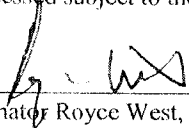
The Chair laid out interim committee charge #7, review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.

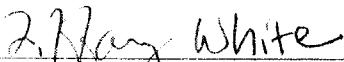
The Chair called the following persons to provide invited testimony on interim committee charge #7. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #4, Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.

The Chair called the following persons to provide invited testimony on interim committee charge #4. See attached witness list. There was no public testimony on this interim committee charge.

There being no further business, at 2:00 p.m. Senator West moved that the Committee stand recessed subject to the call of the Chair. Without objection, it was so ordered.

  
\_\_\_\_\_  
Senator Royce West, Chair

  
\_\_\_\_\_  
Tiffany White, Clerk



**\*\* REVISION \*\*****SENATE****NOTICE OF PUBLIC HEARING**RECEIVED  
SECRETARY OF SENATE

10 MAR 12 AM 10:04

COMMITTEE: Intergovernmental Relations  
TIME & DATE: 1:00 PM, Tuesday, April 06, 2010  
PLACE: Texas Southern University, Houston, TX  
CHAIR: Senator Royce West

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The Senate Intergovernmental Relations Committee will meet on Tuesday, April 6, 2010 at 1:00 p.m. at Texas Southern University, Mickey Leland Barbara Jordan School of Public Affairs, Lecture Hall 114, located at 3802 Tierwester, Houston, TX 77004 (at the corner of Tierwester St and Cleburne St). The Committee will hear invited and public testimony on the following interim charges:

**Senate Interim Charge 2:**

Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.

**Senate Interim Charge 4:**

Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.

**Senate Interim Charge 8:**

Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs).

Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

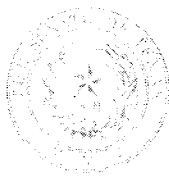
\*Public Testimony will be limited to 3 minutes.

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**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, SUCH AS A SIGN LANGUAGE INTERPRETER OR PERSONAL ASSISTIVE LISTENING DEVICES, ARE REQUESTED TO CONTACT THE SENATE COMMITTEE COORDINATOR AT 512/463-0070, 72 HOURS PRIOR TO THE MEETING SO APPROPRIATE ARRANGEMENTS CAN BE MADE.

# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS



SENATOR ROYCE WEST  
*Chairman*

SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO CALLEGOS  
SENATOR DAN PATRICK  
SENATOR JEFF WENTWORTH

## MEETING AGENDA

*Texas Southern University  
Mickey Leland/Barbara Jordan School of Public Affairs  
Lecture Hall 114  
Houston, Texas*

*Tuesday, April 6, 2010  
1:00 p.m.*

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. OPENING REMARKS**
- IV. COMMITTEE BUSINESS**

*Senate Interim Committee Charge 2:*

*Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.*

- V. INVITED TESTIMONY**
  - A. CHUCK GARIBAY, PRESIDENT, ASSOCIATION OF WATER BOARD DIRECTORS**
  - B. JOE B. ALLEN, ATTORNEY, ALLEN BOONE HUMPHRIES ROBINSON**

C. VAL PERKINS, ATTORNEY, COATS ROSE

D. HOWARD COHEN, ATTORNEY, SCHWARTZ, PAGE & HARDING

## VI. PUBLIC TESTIMONY

*Senate Interim Committee Charge 8:*

*Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.*

## VII. INVITED TESTIMONY

### PANEL 1:

A. JACK DRAKE, PRESIDENT, GREENSPOINT DISTRICT

B. REBECCA REYNA, EXECUTIVE DIRECTOR, GREATER  
NORTHSIDE MANAGEMENT DISTRICT

C. DAVID HAWES, EXECUTIVE DIRECTOR, EAST ALDINE  
MANAGEMENT DISTRICT AND BRAYS OAKS MANAGEMENT  
DISTRICT

D. JASON MCLEMORE, EXECUTIVE DIRECTOR, GREATER  
SOUTHEAST MANAGEMENT DISTRICT

E. KENDALL MILLER, PRESIDENT OF BOARD OF DIRECTORS,  
UPTOWN DISTRICT

### PANEL 2:

A. TREY LARY, ATTORNEY, ALLEN BOONE HUMPHRIES  
ROBINSON

B. BILL CALDERON, HAWES HILL CALDERON

C. VAL PERKINS, ATTORNEY, COATS ROSE

## VIII. PUBLIC TESTIMONY

*Senate Interim Committee Charge 4:*

*Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.*

**IX. INVITED TESTIMONY**

- A. **MALCOM MEYER, ATTORNEY, ADAMS AND REESE**
- B. **CHRISTY KANE, EXECUTIVE DIRECTOR, LOUISIANA APPLESEED**
- C. **MICHAEL GERBER, EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
- D. **TIM IRVINE, CHIEF OF STAFF, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
- E. **JOHN HENNEBERGER, DIRECTOR, TEXAS LOW INCOME HOUSING INFORMATION SERVICE**

**X. PUBLIC TESTIMONY**

**XI. RECESS**

Witness Order / Witness Format

Intergovernmental Relations

April 6, 2010 - 1:00 PM

Allen, Joe Attorney Houston, TX

(Allen Boone Humphries Robinson LLP)

Y ON: Charge 2

Calderon, Bill Houston, TX

(Hawes Hill Calderon)

Y ON: Charge 8

Carlton, John Austin, TX

(Texas State Association of Fire and Emergency Districts)

Y ON: Charge 8

Cohen, Howard Attorney Houston, TX

(Schwartz, Page & Harding)

Y ON: Charge 2

Drake, Jack President Houston, TX

(Greenspoint Management District)

Y ON: Charge 8

Garibay, Chuck President Spring, TX

(Association of Water Board Directors)

Y ON: Charge 2

Gerber, Michael Executive Director Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 4

Hawes, David Executive Director Houston, TX

(East Aldine Management District and Brays Oaks Management District)

Y ON: Charge 8

Henneberger, John Co-Director Austin, TX

(Texas Low Income Housing Information Service)

Y ON: Charge 4

Holcomb, Doug Technical Specialist Austin, TX

(Texas Commission on Environmental Quality)

Y ON: Charge 2

N ON: Charge 8

Irvine, Tim Chief of Staff/General Counsel Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 4

Jackson, Guy Anahuac, TX

(Texas Land Title Association and Chambers County)

N ON: Charge 4

Kane, Christy Executive Director New Orleans, TX

(Louisiana Appleseed)

Y ON: Charge 4

Lary, Trey Attorney Houston, TX

(Allen Boone Humphries LLP)

Y ON: Charge 8

Lee, Donald Austin, TX

(Texas Conference of Urban Counties)

Y ON: Charge 2

Lewis, Keith President Fischer, TX

(State Associates of Fire and Emergency District SAFE-D)

N ON: Charge 8

McLemore, Jason Executive Director Houston, TX

(Greater Southeast Management District)

Y ON: Charge 8

Meyer, Malcolm Attorney Metairie, TX

(Louisiana Appleseed)

Y ON: Charge 4

Miller, Kendall President of Board of Directors Houston, TX

(Uptown District)

Y ON: Charge 8

Perkins, Val Attorney Houston, TX

(Coats Rose)

N ON: Charge 8

Y ON: Charge 2

Reyna, Rebecca Executive Director Houston, TX

(Greater Northside Management District)

Y ON: Charge 8

Sloan, Madison Staff Attorney Austin, TX

(Texas Appleseed)

N ON: Charge 4



## MINUTES

### SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Tuesday, April 6, 2010

1:00 p.m.

Mickey Leland/Barbara Jordan School of Public Affairs

Texas Southern University, Houston, Texas

\*\*\*\*\*

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Intergovernmental Relations was held on Tuesday, April 6, 2010, at Texas Southern University, Mickey Leland/Barbara Jordan School of Public Affairs, Houston, Texas.

\*\*\*\*\*

#### MEMBERS PRESENT:

Senator Royce West  
Senator Mario Gallegos, Jr.  
Senator Dan Patrick  
Senator Jeff Wentworth

#### MEMBERS ABSENT:

Senator Robert Nichols

\*\*\*\*\*

The Chair called the meeting to order at 1:08 p.m. The following business was transacted:

The Chair laid out interim committee charge #2, monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.

The Chair called the following persons to provide invited testimony on interim committee charge #2. See attached witness list.

At 1:38 p.m., a quorum was established.

Senator Patrick moved adoption of the minutes from the previous hearing held on February 23, 2010. Without objection, it was so ordered.

At 2:37 p.m., Senator Wentworth assumed the Chair.

At 2:40 p.m., Senator West resumed the Chair.

The Chair laid out interim committee charge # 4, assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.

The Chair called the following persons to provide invited testimony on interim committee charge #4. See attached witness list.

The Chair laid out interim committee charge #8, review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Minutes

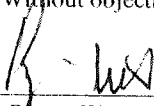
Tuesday, April 6, 2010

Page 2

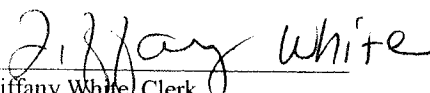
The Chair called the following persons to provide invited testimony on interim committee charge #8. See attached witness list.

The Chair called persons who registered as public witnesses on interim committee charges #2, #4 and #8. See attached witness list.

At 5:10 p.m., Senator West moved that the committee stand recessed subject to the call of the Chair. Without objection, it was so ordered.



\_\_\_\_\_  
Senator Royce West, Chair



\_\_\_\_\_  
Tiffany White, Clerk

**SENATE  
NOTICE OF PUBLIC HEARING**

RECEIVED  
SECRETARY OF SENATE

10 MAR 12 11:04

COMMITTEE: Intergovernmental Relations  
TIME & DATE: 9:00 AM, Wednesday, April 07, 2010  
PLACE: Texas Southern University, Houston, Texas  
CHAIR: Senator Royce West

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The Senate Intergovernmental Relations Committee will meet on Wednesday, April 7, 2010 at 9:00 a.m. at Texas Southern University, Mickey Leland Barbara Jordan School of Public Affairs, Lecture Hall 114, located at 3802 Tierwester, Houston, TX 77004 (at the corner of Tierwester St and Cleburne St). The Committee will hear invited and public testimony on the following interim charge:

**Senate Interim Charge 1:**

Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.

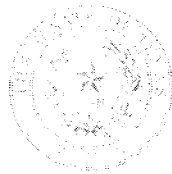
**\*Public Testimony will be limited to 3 minutes.**

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**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, SUCH AS A SIGN LANGUAGE INTERPRETER OR PERSONAL ASSISTIVE LISTENING DEVICES, ARE REQUESTED TO CONTACT THE SENATE COMMITTEE COORDINATOR AT 512/463-0070, 72 HOURS PRIOR TO THE MEETING SO APPROPRIATE ARRANGEMENTS CAN BE MADE.

# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS



SENATOR ROYCE WEST  
*Chairman*

SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO CALLEGOS  
SENATOR DAN PATRICK  
SENATOR JEFF WENTWORTH

## MEETING AGENDA

*Texas Southern University  
Mickey Leland Barbara Jordan School of Public Affairs  
Houston, Texas*

*Wednesday, April 7, 2010  
9:00 a.m.*

- I. CALL TO ORDER
- II. ROLL CALL
- III. OPENING REMARKS
- IV. COMMITTEE BUSINESS
- V. INVITED TESTIMONY

*Senate Interim committee charge 1:*

*Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.*

### PANEL 1:

- A. ROY HAILEY, COMMUNITY ASSOCIATIONS INSTITUTE
- B. SUSAN WRIGHT, TEXAS ASSOCIATION OF BUILDERS
- C. MARIO ARRIAGA, TEXAS ASSOCIATION OF REALTORS

### PANEL 2:

- A. DAVID KAHNE, ATTORNEY

B. GWEN GATES, TEXAS HOMEOWNERS FOR HOA REFORM

VI. PUBLIC TESTIMONY

VII. RECESS

Witness Order / Witness Format

Intergovernmental Relations

April 7, 2010 - 9:00 AM

Adolph, Irene Houston, TX

(Texas Homeowners for Home Owners Assoc Reform)

Y ON: Charge 1

Ahmad, Janet San Antonio, TX

(Self)

W ON: Charge 1

Bogany, Shad Bellaire, TX

(Texas Association of Realtors)

Y ON: Charge 1

Booker, Keysha Houston, TX

(Southwood Place Patio HOA)

N ON: Charge 1

Brown, Sonya Houston, TX

(Marshall Management Group Inc)

Y ON: Charge 1

Calvin, Chris Richmond, TX

(Self)

W ON: Charge 1

Camacho, Adrian Houston, TX

(Self)

Y ON: Charge 1

Clark, Lisa Houston, TX

(Ryko Development Inc)

N ON: Charge 1

Duncan, Gabriele Houston, TX

(Self)

Y ON: Charge 1

Elias, Frank Houston, TX

(Self)

Y ON: Charge 1

Fifi, Jeanne Houston, TX

(Self)

N ON: Charge 1

Gates, Gwen Houston, TX

(Texas Homeowners for HOA Reform)

Y ON: Charge 1

Hailey, Roy Houston, TX

(Community Associations Institute)

Y ON: Charge 1

Harris, Tamika Houston, TX

(Blue Creek Ranch Homeowners Association)

Y ON: Charge 1

Hentschel, Nancy Sugar Land, TX

(Self)

Y ON: Charge 1

Hernandez, George Missouri City, TX

(Sienna Plantation Residential Assoc)

Y ON: Charge 1

Jones, Harvella Richmond, TX

(The National Homeowners Advocate)

Y ON: Charge 1

Jones, Russell Council Member Sugar Land, TX

(City of Sugar Land)

Y ON: Charge 1

Kahne, David Attorney Houston, TX

(Law office of David Kahne)

Y ON: Charge 1

Lent, Robin Spring, TX  
(Texas Homeowners HOA Reform)  
Y ON: Charge 1

Morrison, Suzanne La Porte, TX  
(Self)  
N ON: charge 1

Pagkifarcia, Vicki Houston, TX  
(Self)  
Y ON: Charge 1

Parra, Nancy President Houston, TX  
(League of Women Voters Houston Area)  
Y ON: Charge 1

Saccone, Kathy Houston, TX  
(Self)  
N ON: Charge 1

Wright, Susan Chair, POA Task Force Austin, TX  
(Texas Association of Builders)  
Y ON: Charge 1

Young, James Houston, TX  
(Baldomero Garza, III)  
W ON: Charge 1



**MINUTES**

**SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS**

Wednesday, April 7, 2010

9:00 a.m.

Mickey Leland/Barbara Jordan School of Public Affairs

Texas Southern University, Houston, Texas

\*\*\*\*\*

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Intergovernmental Relations was held on Wednesday, April 7, 2010, at Texas Southern University, Mickey Leland/Barbara Jordan School of Public Affairs, Houston, Texas.

\*\*\*\*\*

**MEMBERS PRESENT:**

Senator Royce West  
Senator Mario Gallegos, Jr.  
Senator Dan Patrick  
Senator Jeff Wentworth

**MEMBERS ABSENT:**

Senator Robert Nichols

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The Chair called the meeting to order at 9:03 a.m. The following business was transacted:

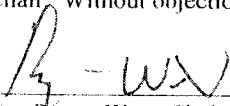
The Chair laid out interim committee charge #1, study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.

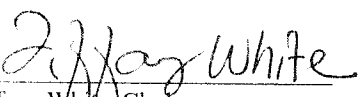
The Chair called the following persons to provide invited testimony on interim committee charge #1. See attached witness list.

At 9:13 a.m., a quorum was established.

The Chair called persons who registered as public witnesses on interim committee charge #1. See attached witness list.

At 12:22 p.m., Senator West moved that the committee stand recessed until subject to the call of the Chair. Without objection, it was so ordered.

  
\_\_\_\_\_  
Senator Royce West, Chair

  
\_\_\_\_\_  
Tiffany White, Clerk

SENATE  
NOTICE OF PUBLIC HEARING

SENATE  
LEGISLATIVE  
COMMITTEES  
10 MAR 23 2 51

COMMITTEE: Intergovernmental Relations  
TIME & DATE: 10:00 AM, Thursday, May 13, 2010  
PLACE: Dallas City Hall, Dallas, Texas  
CHAIR: Senator Royce West

The Senate Intergovernmental Relations Committee will meet on Thursday, May 13, 2010 at 10:00 a.m. at Dallas City Hall, City Council Chambers, 6th floor, located at 1500 Marilla, Dallas, TX 75201. The Committee will hear invited and public testimony on the following interim charges:

**Senate Interim Charge 3:**

Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.

**Senate Interim Charge 5:**

Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.

**Senate Interim Charge 6:**

Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.

**Senate Interim Charge 7:**

Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and

county governments in different regions of the state.

**Senate Interim Charge 9:**

Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.

-Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.

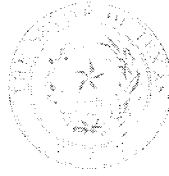
Public Testimony will be limited to 3 minutes per person.

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**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, SUCH AS A SIGN LANGUAGE INTERPRETER OR PERSONAL ASSISTIVE LISTENING DEVICES, ARE REQUESTED TO CONTACT THE SENATE COMMITTEE COORDINATOR AT 512/463-0070, 72 HOURS PRIOR TO THE MEETING SO APPROPRIATE ARRANGEMENTS CAN BE MADE.

# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS



SENATOR ROYCE WEST  
*Chairman*

SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO GALLEGOS  
SENATOR DAN PATRICK  
SENATOR JEFF WENTWORTH

## MEETING AGENDA

*Dallas City Hall, City Council Chambers  
Dallas, Texas*

*Thursday, May 13, 2010  
10:00 a.m.*

- I. **CALL TO ORDER**
- II. **ROLL CALL**
- III. **OPENING REMARKS**
- IV. **COMMITTEE BUSINESS**
- V. **INVITED TESTIMONY**

*Senate Interim committee charge 3:  
Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.*

### PANEL I:

- A. **THE HONORABLE SUSAN COMBS, COMPTROLLER OF PUBLIC ACCOUNTS**
- B. **ROBERT WOOD, DIRECTOR, LOCAL GOVERNMENT ASSISTANCE DIVISION, COMPTROLLER OF PUBLIC ACCOUNTS**

- C. **VICTOR GONZALEZ**, DIRECTOR AND CHIEF TECHNOLOGY OFFICER, INNOVATION & TECHNOLOGY DIVISION, COMPTROLLER OF PUBLIC ACCOUNTS
- D. **BETH HALLMARK**, CREATIVE DIRECTOR, PUBLIC OUTREACH & STRATEGIES DIVISION, COMPTROLLER OF PUBLIC ACCOUNTS

PANEL 2:

- A. **JOHNATHAN FRELS**, DEPUTY ATTORNEY GENERAL, LEGAL COUNSEL DIVISION, OFFICE OF THE ATTORNEY GENERAL
- B. **AMANDA CRAWFORD**, DIVISION CHIEF, OPEN RECORDS DIVISION, OFFICE OF THE ATTORNEY GENERAL

PANEL 3:

- A. **COUNCIL MEMBER SHERI CAPEHART**, CITY OF ARLINGTON
- B. **DAVID STEPHENS**, TECHNOLOGY SERVICES DIRECTOR, CITY OF PLANO
- C. **PAUL SUGG**, TEXAS ASSOCIATION OF COUNTIES
- D. **EDWARD DION**, CPA, CIO, TEXAS ASSOCIATION OF COUNTY AUDITORS
- E. **DOLORES ORTEGA CARTER**, CCT, CIO, COUNTY TREASURERS' ASSOCIATION OF TEXAS

*Senate Interim committee charge 5:*

*Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.*

- A. **MARI ROBINSON JD**, EXECUTIVE DIRECTOR, TEXAS MEDICAL BOARD
- B. **DR. DAN MCCOY**, TEXAS MEDICAL ASSOCIATION
- C. **CHARLES BAILEY**, TEXAS HOSPITAL ASSOCIATION
- D. **DON MCBEATH**, TEXAS ORGANIZATION OF RURAL AND COMMUNITY HOSPITALS
- E. **DR. RON ANDERSON**, PRESIDENT AND CHIEF EXECUTIVE OFFICER, PARKLAND HEALTH AND HOSPITAL SYSTEM

*Senate Interim committee charge 7:*

*Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.*

- A. **JERRY BLAISDELL, CITY MANAGER, CITY OF WEATHERFORD**
- B. **MICHAEL AHRENS, CITY MANAGER, CITY OF MOUNT PLEASANT**
- C. **COMMISSIONER VERONICA ESCOBAR, EL PASO COUNTY**

*Senate Interim committee charge 9:*

*Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.*

- *Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.*

PANEL 1:

- A. **C. KENT CONINE, CHAIR, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
- B. **GLORIA RAY, VICE CHAIR, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**
- C. **MICHAEL GERBER, EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS**

PANEL 2:

- A. **JOHN HENNEBERGER, TEXAS LOW INCOME HOUSING INFORMATION SERVICE**
- B. **JIM BROWN, TEXAS AFFILIATION OF AFFORDABLE HOUSING PROVIDERS**
- C. **JEANNE TALERICO, TEXAS ASSOCIATION OF LOCAL HOUSING FINANCE AGENCIES**
- D. **DONNA CHATHAM, ASSOCIATION OF RURAL COMMUNITIES IN TEXAS**

E. **STEVE CARRIKER, TEXAS ASSOCIATION OF COMMUNITY DEVELOPMENT CORPORATIONS**

F. **MATT HULL, TEXAS HABITAT FOR HUMANITY**

PANEL 3:

A. **NORMAN HENRY, BUILDERS OF HOPE COMMUNITY DEVELOPMENT CORPORATION**

B. **SHERMAN ROBERTS, CITY WIDE COMMUNITY DEVELOPMENT CORPORATION**

*Senate Interim committee charge 6:*

*Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.*

**VI. PUBLIC TESTIMONY**

**VII. RECESS**

Witness Order / Witness Format

Intergovernmental Relations

May 13, 2010 - 10:00 AM

Ahrens, Mike City Manager Mount Pleasant, TX

(City of Mount Pleasant Texas)

Y ON: Charge 7

Anderson, MD, Ron President and CEO Dallas, TX

(Parkland)

Y ON: Charge 5

Bailey, Charles SVP and General Counsel Austin, TX

(Texas Hospital Association)

Y ON: Charge 5

Blaisdell, Jerry City Manager Weatherford, TX

(City of Weatherford)

Y ON: Charge 7

Boston, Brooke Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Cabrales, Jr., John Intergovernmental Relations Officer Denton, TX

(City of Denton)

N ON: Charge 3

Capehart, Sheri Council Member Arlington, TX

(City of Arlington)

Y ON: Charge 3

Carriker, Steve Austin, TX

(Texas Association of Community Development Corporations)

Y ON: Charge 9

Chatam, Donna Executive Director Austin, TX

(Association of Rural Communities in Texas)

Y ON: Charge 9



Combs, Susan Comptroller Austin, TX

(Comptroller of Public Accounts)

Y ON: Charge 3

Conine, Kent Chair Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Crolley, Bill Director of Planning and Development Grand Prairie, TX

(Grand Prairie)

N ON: Charge 6

Crosswhite, Lesa Abilene, TX

(County Treasure Assoc of Texas)

Y ON: Charge 3

Dion, Edward El Paso County Auditor El Paso, TX

(Texas Association of County Auditors)

Y ON: Charge 3

Escobar, Veronica El Paso, TX

(El Paso County)

Y ON: Charge 7

Frels, Jonathan Deputy Attorney General for Legal Counsel Austin, TX

(Office of the Attorney General)

Y ON: Charge 3

Gerber, Michael Executive Director Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Gonzalez, Victor Chief Technology Officer Austin, TX

(Comptroller of Public Accounts)

Y ON: Charge 3

Guerra, Fernando MD, MPH San Antonio, TX

(City of San Antonio)

N ON: Charge 7

Hall, Karen Bryan, TX

(Self)

Y ON: Charge 6

Hallmark, Beth Creative Director Austin, TX

(Comptroller of Public Accounts)

Y ON: Charge 3

Henneberger, John Austin, TX

(Tx Low Income Housing Information Service)

Y ON: Charge 9

Hull, Matt Executive Director Austin, TX

(Habitat for Humanity Texas)

Y ON: Charge 9

Jefferson, David Fort Worth, TX

(Tarrant County - Public Health)

Y ON: Charge 6

McBeath, Don Austin, TX

(Texas Organization of Rural and Community Hospitals)

Y ON: Charge 5

McCoy, Dan MD Dallas, TX

(Texas Medical Association)

Y ON: Charge 5

Ray, Gloria Vice Chair Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Robinson, Mari Executive Director Austin, TX

(Texas Medical Board)

Y ON: Charge 5

Rochat, John MD Fort Bragg, TX

(Self)

N ON: Charge 5

Stephens, David Technology Services Director Plano, TX

(City of Plano)

Y ON: Charge 3

Sugg, Paul Austin, TX

(Texas Association of Counties)

Y ON: Charge 3

Talerico, Jeanne Austin, TX

(Texas Association of Local Housing Finance Agencies)

Y ON: Charge 9

Thompson, Zac Dallas, TX

(Dallas County)

Y ON: Charge 9

Turner, Jeff Chief Executive Officer Dumas, TX

(Moore County Hospital District)

N ON: Charge 5

Williams, Terry Dallas, TX

(City of Dallas)

Y ON: Charge 9

Wood, Robert Director, Local Government Assistance Austin, TX

(Comptroller)

N ON: Charge 3

**MINUTES**

**SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS**

Thursday, May 13, 2010

10:00 a.m.

Dallas City Hall, City Council Chambers, Dallas, Tx

\*\*\*\*\*

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Intergovernmental Relations was held on Thursday, May 13, 2010, in the Dallas City Hall, City Council Chambers, Dallas, Tx.

\*\*\*\*\*

**MEMBERS PRESENT:**

Senator Royce West  
Senator Robert Nichols  
Senator Mario Gallegos, Jr.

**MEMBERS ABSENT:**

Senator Dan Patrick  
Senator Jeff Wentworth

\*\*\*\*\*

The Chair called the meeting to order at 10:00 a.m. There being a quorum present, the following business was transacted:

The Chair laid out interim committee charge #3, review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.

The Chair called the following persons to provide invited testimony on interim committee charge #3. See attached witness list.

At 12:05 p.m., Senator Nichols assumed the Chair.

At 12:25 p.m., Senator West resumed the Chair.

The Chair laid out interim committee charge #5, study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.

The Chair called the following persons to provide invited testimony on interim committee charge #5. See attached witness list.

The Chair laid out interim committee charge #7, review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.

The Chair called the following persons to provide invited testimony on interim committee charge #7. See attached witness list.

The Chair laid out interim committee charge #9, Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.

- Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.

SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Minutes

Tuesday, May 25, 2010

Page 2

The Chair called the following persons to provide invited testimony on interim committee charge #9. See attached witness list.

At 3:07 p.m., the Committee stood at ease.

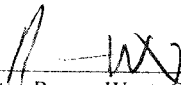
At 3:15 p.m., Senator Nichols assumed the Chair and reconvened the committee.

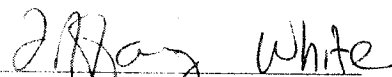
At 3:23 p.m., Senator West resumed the Chair.

The Chair laid out interim committee charge #6, review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.

The Chair called persons who registered as public witnesses on interim committee charge #3, #5, #7, #9, and #6. See attached witness list.

There being no further business, at 4:02 p.m. Senator West moved that the Committee stand recessed subject to the call of the Chair. Without objection, it was so ordered.

  
\_\_\_\_\_  
Senator Royce West, Chair

  
\_\_\_\_\_  
Tiffany White, Clerk

**\*\* REVISION \*\***

**SENATE  
NOTICE OF PUBLIC HEARING**

**RECEIVED  
SECRETARY OF SENATE**

**10 SEP 20 09:26**

COMMITTEE: Intergovernmental Relations  
TIME & DATE: 8:30 AM, Tuesday, October 19, 2010  
PLACE: E1.028 (Hearing Room)  
CHAIR: Senator Royce West

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The committee will take invited testimony on interim charges.

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**\*\* See Committee Coordinator for previous versions of the schedule \*\***

**NOTICE OF ASSISTANCE AT PUBLIC MEETINGS**

PERSONS WITH DISABILITIES WHO PLAN TO ATTEND THIS MEETING AND WHO MAY NEED ASSISTANCE, SUCH AS A SIGN LANGUAGE INTERPRETER OR PERSONAL ASSISTIVE LISTENING DEVICES, ARE REQUESTED TO CONTACT THE SENATE COMMITTEE COORDINATOR AT 512/463-0070, 72 HOURS PRIOR TO THE MEETING SO APPROPRIATE ARRANGEMENTS CAN BE MADE.

# TEXAS SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS



SENATOR ROYCE WEST  
*Chairman*

SENATOR ROBERT NICHOLS  
*Vice-Chairman*  
SENATOR MARIO GALLEGOS  
SENATOR DAN PATRICK  
SENATOR JIM E. WENTWORTH

## MEETING AGENDA

*Capitol Extension Room E1.028  
Austin, Texas*

*Tuesday, October 19, 2010  
8:30 a.m.*

- I. CALL TO ORDER
- II. ROLL CALL
- III. OPENING REMARKS
- IV. COMMITTEE BUSINESS
- V. INVITED TESTIMONY

*Senate Interim Committee Charge 1:*

*Study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.*

- A. ROBERT DOGGETT, COALITION FOR HOA REFORM
- B. JUDD AUSTIN, TEXAS COMMUNITY ASSOCIATION ADVOCATES
- C. LORI LEVY, TEXAS ASSOCIATION OF REALTORS
- D. SUSAN WRIGHT, TEXAS ASSOCIATION OF BUILDERS

*Senate Interim Committee Charge 2:*

*Monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the*

*81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.*

- A. **JOE B. ALLEN, ALLEN BOONE HUMPHRIES ROBINSON, LLP**
- B. **VAL PERKINS, GARDERE WYNNE SEWELL, LLP**
- C. **HOWARD M. COHEN, SCHWARTZ PAGE & HARDING, LLP**
- D. **STACY BERGENDAHL, TEXAS LEGISLATIVE COUNCIL**

*Senate Interim Committee Charge 3:*

*Review the process and costs for local governments to make government information available online. Consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.*

- A. **ROBERT WOOD, LOCAL GOVERNMENT ASSISTANCE DIVISION,  
COMPTROLLER OF PUBLIC ACCOUNTS**
- B. **PAUL SUGG, TEXAS ASSOCIATION OF COUNTIES**
- C. **BENNETT SANDLIN, TEXAS MUNICIPAL LEAGUE**

*Senate Interim Committee Charge 4:*

*Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.*

- A. **RICHARD BLACK, STEWART TITLE GUARANTY COMPANY**
- B. **ROLAND LOVE, TEXAS LAND TITLE ASSOCIATION**
- C. **EPIPHANIE MARQUEZ, COMMUNITY DEVELOPMENT CLINIC,  
UNIVERSITY OF TEXAS SCHOOL OF LAW**
- D. **BETTY BALLI TORRES, TEXAS ACCESS TO JUSTICE COMMISSION**

*Senate Interim Committee Charge 5:*



*Study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. Make recommendations, if needed, to permit hospitals to directly hire physicians.*

- A. **DON MCBEATH, TEXAS ORGANIZATION OF RURAL AND COMMUNITY HOSPITALS**
- B. **DR. DAWN BUCKINGHAM, TEXAS MEDICAL ASSOCIATION**

*Senate Interim Committee Charge 6:*

*Review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.*

- A. **GENE MIERTSCHIN, COMMISSIONER, KENDALL COUNTY**
- B. **DON ALLEE, COUNTY ATTORNEY, KENDALL COUNTY**

*Senate Interim Committee Charge 7:*

*Review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.*

- A. **JIM ALLISON, COUNTY JUDGES AND COMMISSIONERS ASSOCIATION OF TEXAS**
- B. **COUNCIL MEMBER SHERI CAPEHART, CITY OF ARLINGTON**
- C. **COMMISSIONER VERONICA ESCOBAR, EL PASO COUNTY**

*Senate Interim Committee Charge 8:*

*Review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.*

PANEL 1:

- A. **TREY LARY, ALLEN BOONE HUMPHRIES ROBINSON, LLP**
- B. **BILL CALDERON, HAWES HILL CALDERON, LLP**

PANEL 2:

- A. **JOHN CARLTON**, TEXAS STATE ASSOCIATION OF FIRE & EMERGENCY DISTRICTS

PANEL 3:

- A. **VAL PERKINS**, GARDERE WYNNE SEWELL, LLP

*Senate Interim Committee Charge 9:*

*Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.*

- *Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.*

- A. **MICHAEL GERBER**, EXECUTIVE DIRECTOR, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

- B. **BROOKE BOSTON**, DEPUTY EXECUTIVE DIRECTOR FOR COMMUNITY BASED PROGRAMS, TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

**VI. RECESS**

Witness Order / Witness Format

Intergovernmental Relations  
October 19, 2010 - 8:30 AM

Allen, Joe B. Houston, TX  
(Allen boone Humphries Robinson, LLP)  
Y ON: Charge 2

Allison, Jim Austin, TX  
(County Judges and Commissioners Association of Texas)  
N ON: Charge 5  
  
(County Judges and Commissioners Association of Texas)  
Y ON: Charge 7

Austin, Jr., Judd Dallas, TX  
(Texas Community Association Advocates)  
Y ON: Charge 1

Balli Torres, Betty Austin, TX  
(Texas Access to Justice Foundation)  
Y ON: Charge 4

Bergendahl, Stacy Austin, TX  
(Texas Legislative Council)  
Y ON: Charge 2

Black, Richard Austin, TX  
(Texas Land Title Association)  
Y ON: Charge 4

Boston, Brooke Deputy Executive Director for Community Based Programs Austin, TX  
(Texas Department of Housing and Community Affairs)  
Y ON: Charge 9

Brake, Gabe Austin, TX  
(Texas Legislative Council)  
N ON: Charge 8 Panel 3

Buckingham, Dawn MD Lakeway, TX

(Texas Medical Association)

Y ON: Charge 5

Calderon, Bill Houston, TX

(Hawes Hill Calderon, LLP)

Y ON: Charge 8 Panel 1

Capehart, Sheri City Council Member Arlington, TX

(City of Arlington)

Y ON: Charge 7

Carlton, John Austin, TX

(Texas State Association of Fire and Emergency Districts)

Y ON: Charge 8 Panel 2

Cohen, Howard Houston, TX

(Schwartz, Page & Harding, LLP)

Y ON: Charge 2

Denton, Sandy Missouri City, TX

(Texas Community Association Advocates)

N ON: Charge 1

Doggett, Robert Attorney Austin, TX

(Coalition for HOA Reform)

Y ON: Charge 1

Escobar, Veronica County Commissioner El Paso, TX

(El Paso County)

Y ON: Charge 7

Gerber, Michael Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Hamby, Kevin Austin, TX

(Texas Department of Housing and Community Affairs)

N ON: Charge 4

Holcomb, Doug Austin, TX

(Texas Commission on Environmental Quality)

Y ON: Charge 2

Hopper, Craig Austin, TX

(State Bar of Texas)

N ON: Charge 4

Irvine, Tim Chief of Staff and General Counsel Austin, TX

(Texas Department of Housing and Community Affairs)

Y ON: Charge 9

Lary, Trey Houston, TX

(Allen Boone Humphries Robinson, LLP)

Y ON: Charge 8 Panel 1

Levy, Lori Associate Counsel Austin, TX

(Texas Association of Realtors)

Y ON: Charge 1

Love, Roland Dallas, TX

(Texas Land Title Association)

Y ON: Charge 4

Marquez, Epiphanie Clinic Student Austin, TX

(Texas Appleseed)

Y ON: Charge 4

McBeath, Don Austin, TX

(Texas Organization of Rural and Community Hospitals)

Y ON: Charge 5

Miertschin, Bonnie Kendall County Precinct Chair Boerne, TX

(Self)

N ON: Charge 6

Miertschin, Gene Commissioner Boerne, TX

(Kendall County)

Y ON: Charge 6

Moore, Mark Austin, TX

(Texas Legislative Council)

N ON: Charge 2

Munson, Sarah Austin, TX

(Texas Legislative Council)

Y ON: Charge 8 Panel 1

Perkins, Val Houston, TX

(Gardere Wynne Sewell, LLP)

Y ON: Charge 2

Y ON: Charge 8 Panel 3

Robinson, Mari Executive Director Austin, TX

(Texas Medical Board)

N ON: Charge 5

Sandlin, Bennett Austin, TX

(Texas Municipal League)

Y ON: Charge 8 Panel 2

Y ON: Charge 3

Sugg, Paul Austin, TX

(Texas Association of Counties)

Y ON: Charge 3

Thorne, Jeff Austin, TX

(Texas Legislative Council)

Y ON: Charge 2

Wood, Robert Austin, TX

(Comptroller of Public Accounts)

Y ON: Charge 3

Wright, Susan Austin, TX

(Texas Association of Builders)

Y ON: Charge 1

## MINUTES

### SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Tuesday, October 19, 2010

8:30 a.m.

Capitol Extension, Room E1.028

\*\*\*\*\*

Pursuant to a notice posted in accordance with Senate Rule 11.18, a public hearing of the Senate Committee on Intergovernmental Relations was held on Tuesday, October 19, 2010, in the Capitol Extension, Room E1.028, at Austin, Texas.

\*\*\*\*\*

#### MEMBERS PRESENT:

Senator Royce West  
Senator Robert Nichols  
Senator Mario Gallegos, Jr.  
Senator Dan Patrick  
Senator Jeff Wentworth

#### MEMBERS ABSENT:

None

\*\*\*\*\*

The Chair called the meeting to order at 8:30 a.m. The following business was transacted:

The Chair laid out interim committee charge #1, study current law governing homeowners associations with respect to ensuring that homeowners are given adequate protections against unfair foreclosures and are given proper channels for redress in case of foreclosure.

The Chair called the following persons to provide invited testimony on interim committee charge #1. See attached witness list. There was no public testimony on this interim committee charge.

At 8:35 a.m., a quorum was established.

Senator Nichols moved adoption of the minutes from the previous hearing held on May 13, 2010. Without objection, it was so ordered.

The Chair laid out interim committee charge #2, monitor the proliferation of municipal utility districts (MUDs) outside the corporate limits or extraterritorial jurisdiction of municipalities and whether increased oversight of these districts by other political subdivisions is needed. Review the process for the creation of municipal utility districts (MUDs) through the template developed during the 81st Legislative Session, including any changes needed to increase the efficiency and oversight over the creation of proposed districts. Review the process for creating special districts, including whether the creation of a template, similar to the one created for municipal utility districts (MUDs), is feasible and would enable the legislature to more effectively evaluate other proposed special districts during future Sessions.

The Chair called the following persons to provide invited testimony on interim committee charge #2. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #3, review the process and costs for local governments to make government information available online. consider ways to encourage local governments to provide more transparency, including the Comptroller's experience with transparency and her offer to assist local governments, and consider penalties for entities that fail to comply with the online requirement.

The Chair called the following persons to provide invited testimony on interim committee charge #3. See attached witness list. There was no public testimony on this interim committee charge.

SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

Minutes

Tuesday, October 19, 2010

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The Chair laid out interim committee charge #4, Assess ways to facilitate property ownership registration to better enable individuals to participate in federal programs and make recommendations to improve processing times to provide improved access to funds.

The Chair called the following persons to provide invited testimony on interim committee charge #4. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #5, study the reasons for and the impacts of hospitals directly hiring physicians. Examine practices in other states. make recommendations, if needed, to permit hospitals to directly hire physicians.

The Chair called the following persons to provide invited testimony on interim committee charge #5. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #6, review state and local policies related to development and growth in rural and unincorporated regions of the state with regard to annexation and zoning authority. Focus on impacts to private property rights. Determine the appropriateness of existing extraterritorial jurisdiction authority. Make recommendations regarding possible changes to this authority.

The Chair called the following persons to provide invited testimony on interim committee charge #6. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #7, review the types of support state government can provide to assist local government consolidations with county governments. Evaluate budget implications for city and county government consolidations. Research the appropriateness and cost savings of eliminating duplicity between city and county governments in different regions of the state.

At 10:50 a.m., Senator Nichols assumed the Chair.

At 10:55 a.m., Senator West resumed the Chair.

The Chair called the following persons to provide invited testimony on interim committee charge #7. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #8, review the statutory authority granted to municipal management districts (MMDs) and to emergency service districts (ESDs), the authority of municipalities and counties to create public improvement districts (PIDs). Determine whether the authority granted for each entity is adequate to accomplish the goals of local governments. Assess whether the consolidation of ESDs under one statute would improve uniformity and provision of fire and emergency services through these districts.

The Chair called the following persons to provide invited testimony on interim committee charge #8. See attached witness list. There was no public testimony on this interim committee charge.

The Chair laid out interim committee charge #9, Monitor the implementation of legislation addressed by the Senate Committee on Intergovernmental Relations, 81st Legislature, Regular and Called Sessions, and make recommendations for any legislation needed to improve, enhance, and/or complete implementation.

- Monitor the use of the expanded funds provided by the 81st Legislature to the Texas Department of Housing and Community Affairs.

The Chair called the following persons to provide invited testimony on interim committee charge #8. See attached witness list. There was no public testimony on this interim committee charge.

At 11:23 a.m., Senator West moved that the committee stand recessed subject to the call of the Chair. Without objection, it was so ordered.

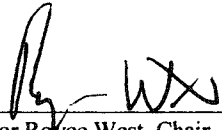


SENATE COMMITTEE ON INTERGOVERNMENTAL RELATIONS

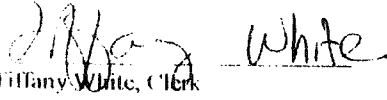
Minutes

Tuesday, October 19, 2010

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\_\_\_\_\_  
Senator Royce West, Chair



\_\_\_\_\_  
Tiffany White, Clerk