

City or County Assumption of Special District Duties; SB 118

SB 118 establishes a procedure by which a city or county may assume the powers, responsibilities, and duties of a special district within the city's corporate boundary or the county's boundaries.

Definition

The bill defines a "special district" to include airport authorities, cemetery districts, drainage districts, fire districts, industrial districts, library districts, port authorities, rural water districts, sewer districts, and rural watershed districts.

Procedure

The bill requires the city or county and the special district to reach an agreement regarding the city or county assuming the powers, responsibilities, and duties of the special district and to pass a joint resolution stating their intent to dissolve the special district into the city or county. The joint resolution must also contain the time and location for a joint public hearing on the issue of dissolution.

Upon both the special district and the city or county governing body passing the joint resolution, the special district is prohibited from issuing new debt without notifying and receiving approval from the city or county governing body.

The joint resolution must be published once a week for two consecutive weeks in a newspaper of general circulation in the county or counties where the city or county and special district are located.

The bill requires that, after the public hearing has been held, the governing bodies of the city or county and the special district decide whether to proceed with consolidation or abandon the proposed dissolution. If both agree to proceed, the governing body of the city or county adopt a city ordinance or county resolution stating the special district is dissolved and the city or county is assuming all powers, responsibilities, and duties of the special district.

The special district is considered dissolved on the effective date of the ordinance or resolution.

Results of Consolidation

Upon the dissolution of the special district, the city or county is the successor to all powers, duties, and responsibilities of the special district. The city or county would:

- Acquire the property of the special district subject to any lease or agreement;
- Pay or retire district debts or obligations;

- Be vested with all property, funds, and assets of the district; and
- Have legal custody of records, memoranda, writings, entries, prints, representations, and electronic data of the special district.

References to the special district in a contract or other document that are in regard to any of the powers, duties, and functions transferred to the city or county would be deemed to apply to the city or county as the context requires.

All legal action, judicial or administrative, pending against the special district or an officer of the special district would abate by reason of this governmental reorganization, but the court would be authorized to allow any such suit, action, or other proceeding to be maintained by or against the successor.