HOUSE
STUDY
GROUP bill analysis

5/25/79

SB 1154 and SB 1155
Schwartz, Brooks
(Wallace)

SUBJECT: Giving the Clear Lake City Water Authority certain powers and providing for a contract between it and the City of Houston for certain services and a reallocation of property taxes.

DIGEST: SB 1154 gives the Clear Lake City Water Authority a number of powers to provide services including solid waste disposal, parks, fire-prevention road and street maintenance, and emergency medical services. These are subject to a continuation of a contract between the authority and the City of Houston which provides for the allocation of these services and reapportionment of property taxes. SB 1155 allows the City of Houston and the Clear Lake City Water Authority to enter into a contract to provide these services. SB 1155 also provides that residents in the authority's district have to pay the full amount of property taxes to the authority and the full amount of taxes levied by the city, less the amount of taxes paid to the authority.

PRO: These two bills represent a reasonable solution to the problems between Houston and Clear Lake City. The residents there are being taxed doubly for services that they aren't always getting. These bills will allow the authority to provide some services to its residents, assuring them that they will get the necessary governmental services. At the same time, residents won't be taxed twice for these services. SB 1155 provides for reduced taxes to be paid to Houston when the authority collects the money needed for these services.

CON: These bills, in effect, give Clear Lake City Water Authority the status of a city. This is a bad precedent. Other water districts will come to the Legislature asking for a similar "deal" when they want to get out of a city but can't.

ALTERNATE CON: The people of Clear Lake city want the status of an incorporated city. They think of themselves as residents of a city and should be recognized as such. These bills are little more than a small bone being tossed their way to appease them while the City of Houston gets its way. A better solution to the problems is to let them disannex and incorporate on their own.

COMMENTARY: HB 1410, passed by the House earlier this session, would have allowed Clear Lake City Water Authority residents to call an election to disannex from Houston. That bill is currently in a committee in the Senate.

SB 1154 & 1155 provide for elections to let the residents of Clear Lake City decide whether they want the arrangement specified in these bills.

The committee amendment to SB 1154 allows the board of directors of the authority to exclude territory from the district and order an election to issue refunding bonds. The committee amendment to SB 1155 does away with provision that says that the "common area" of territory of the authority and Houston can't be disannexed.