

SUBJECT: Creating Paseo del Este Municipal Utility District in El Paso County

COMMITTEE: Natural Resources — favorable, with amendment

VOTE: 7 ayes — Counts, Yost, Combs, King, R. Lewis, Stiles, Walker

0 nays

2 absent — Corte, Puente

SENATE VOTE: On final passage, May 9 — 31-0

WITNESSES: No public hearing

DIGEST: SB 1663 as amended would create the Paseo Del Este Municipal Utility District in El Paso County as a conservation and reclamation district under Art 16, sec. 59 of the Texas Constitution. The bill specifies the boundaries of the district.

The initial members of the five-member district board would be appointed by the School Land Board. Board members, who would have to be a member of the School Land Board, or a resident of El Paso or Travis County, would be elected to four-year staggered terms. Owners of land in the district would be the only qualified voters in the district's confirmation election, and each voter would have one vote per 500 acres of land owned within the district.

The district could include other territory in the district through annexation, and owners of land contiguous to the district could petition to be included in the district. Land could also be excluded from the district by petition of a landowner or motion of the board of directors. A minimum of five percent of the residential housing units in the district would be utilized for the construction of affordable housing.

If the district entered into a contract, officers and employees of the state or political subdivisions would be considered employees of the district, and subject to Government Code, sec. 572.054, which restricts representation by

former employees of regulatory agencies before the agencies where they were formerly employed.

The district could levy taxes for the maintenance of the district and issue bonds secured by ad valorem taxes or all or part of the revenues accruing to the district. The obligation would be authorized by resolution of the board.

Land developers within the district would be required to provide a bond to assure payment for infrastructure, payable to the district in an event of default or bankruptcy. The district would apply the proceeds of that bond to pay for infrastructure indebtedness.

The bill as amended would take immediate effect if approved by two thirds of the membership of each house.

NOTES:

The committee amendment would provide that, in connection with district contracts, certain government employees would be subject to statutory restrictions concerning representation by former employees of regulatory agencies and would require developers within the district to provide a bond to assure payment for infrastructure.