

BILL ANALYSIS

Senate Research Center

C.S.H.B. 2258
By: Culberson (Lindsay)
Natural Resources
5-23-97
Committee Report (Substituted)

DIGEST

Currently, Chapter 53C, Water Code, provides for administrative provisions for fresh water supply districts. Special taxing units, such as improvement districts, can be created that may include portions of existing freshwater or other types of districts. C.S.H.B. 2258 would require notice to and approval of the residents of existing freshwater districts and other types of taxing units before a new tax can be imposed.

PURPOSE

As proposed, C.S.H.B. 2258 sets forth provisions regarding the imposition of taxes or fees in certain water districts.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 53C, Water Code, by adding Section 53.089, as follows:

Sec. 53.089. APPROVAL OF CERTAIN ACTIONS. (a) Provides that this section applies only to a political subdivision that is, or is located in any part in, a municipality with a population of 1.6 million or more or that is located in any part in the extraterritorial jurisdiction of the municipality.

(b) Requires a political subdivision that seeks to institute a proceeding having the purpose or effect of imposing a tax or fee on a person, property, or a transaction in any part of a freshwater supply district (district) organized and in existence on the proposed date of the institution of the proceeding, not later than the 180th day before the date of the institution of the proceeding, to inform the board of supervisors of the district (board), in writing, of the political subdivision's intention.

(c) Requires the board, on receipt of the notice, to conduct an election on the issue of whether the tax or fee may be imposed in the district. Requires the election to be conducted, in accordance with Chapter 41, Election Code, not later than the 10th day before the date of the institution of the proceeding described by the written notice in Subsection (b).

(d) Requires the ballot proposition for an election to be printed to permit voting for or against the imposition of the tax or fee by the political subdivision in the specified part of the district. Authorizes all voters in the district to vote on the proposition.

(e) Provides that if a majority of voters voting at the election approve the proposition, the proceeding described by the written notice in Subsection (b) may be instituted at any time before the second anniversary after the date of the election. Prohibits the political subdivision from instituting a proceeding having the purpose or effect of imposing a tax or fee in the district and from proposing to institute a proceeding having that purpose or effect in the district until the second anniversary after the date of the election if a majority

of voters voting at the election disapprove the proposition.

(f) Provides that the provisions of this section also apply to districts established or operating under this title.

(g) Provides that in this section, the term "political subdivision" does not include a county, county development district, junior college district, school district, hospital district, nonprofit water supply corporation, municipal management district, emergency service district, rural fire prevention district, or district or authority that exercises the powers granted by Section 52, Article III, or Section 59, Article XVI, Texas Constitution.

SECTION 2. (a) Effective date: September 1, 1997. Makes application of this Act prospective.

(b) Provides that this Act applies only to a new tax or fee imposed by a political subdivision and sets forth provisions to which this Act does not apply.

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 53.089, Water Code, to provide that this section applies only to a political subdivision located in a municipality with a population of 1.6 million or more or that is located in any part in the extraterritorial jurisdiction of the municipality. Makes certain stipulations regarding approval of certain actions.

SECTION 2.

Amends text regarding the applicability of this Act and to set forth provisions to which this Act does not apply.