

BILL ANALYSIS

Senate Research Center

S.B. 1463
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Natural Resources
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As Filed

DIGEST

Currently, the board of directors of the Southwest Travis County Water District is composed of nine elected members and the board has the authority to issue bonds with a maturity date of 50 years after the date of issuance. Most boards of other conservation and reclamation districts are elected. Additionally, long maturity dates are normally associated with major infrastructure projects which are built to take advantage of economies of scale for construction costs but will not produce an early revenue stream sufficient to cover a shorter maturity period. A 40-year maturity date is more in line with current financial markets' acceptance for the longest maturity for newly issued bonds. This bill will require the board to be elected, change the number of board members, and change the maturity date of bonds to 40 years.

PURPOSE

As proposed, S.B. 1463 requires the board of directors of the Southwest Travis County Water District to be elected, changes the number of board members, and changes the maturity date of bonds to 40 years.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the secretary of state in SECTION 9 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2.01(b), Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, to provide that the board of directors of the Southwest Travis County Water District (board) consists of five members elected from the Southwest Travis County Water District (district) at large, rather than nine members appointed by the governor.

SECTION 2. Amends Section 2.02, Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, to require a person to reside in the district, rather than Travis County, in order to be eligible to serve as a director. Deletes a requirement that seven of the directors must reside in the district. Makes conforming changes.

SECTION 3. Amends Section 2.03, Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, as follows:

Sec. 2.03. New heading: TERMS OF DIRECTORS AND DIRECTOR ELECTIONS. Provides that directors are elected for staggered terms of four years. Requires an election to be held on the first Tuesday after the first Monday in November of each odd-numbered year in the district for the election of two or three directors, as appropriate, from the district at large for terms to begin on the following January 1. Sets forth election procedures. Deletes existing text relating to the appointment of directors.

SECTION 4. Amends Section 2.04, Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, to require each director to qualify to serve as director in the manner provided by Section 49.055, Water Code, rather than Sections 51.0721, 51.078, and 51.079, Water Code. Requires the district to pay the premiums for each director's bond required under Section 49.055, Water Code, rather than Section 51.079, Water Code.

SECTION 5. Amends Section 5.01(c), Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, to require bonds issued by the district to mature serially or otherwise not more than 40 years, rather than 50 years, after their date.

SECTION 6. Amends Section 6.01, Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, to make technical corrections.

SECTION 7. (a) Provides that, notwithstanding Section 2.01(b), Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, as amended by this Act, the district's rights and functions are exercised by a board composed as provided by Section 8 of this Act until the transition from an appointed to an elected board is completed.

(b) Authorizes a member of the board who was not required to reside in the district at the time of appointment to continue to serve as director without residing in the district until expiration of the member's term, including any additional period of service required by Section 17, Article XVI, Texas Constitution, notwithstanding Section 2.02, Chapter 844, Acts of the 74th Legislature, Regular Session, 1995, as amended by this Act.

SECTION 8. (a) Requires the transition of the board from an appointed to an elected body to be accomplished as provided by this section, notwithstanding any other provision in this Act.

(b) Requires the board to call and hold an election on the first Tuesday after the first Monday in November 1997 to elect five directors from the district at large to replace the nine appointed directors whose terms expire September 1, 1997. Provides that the nine appointed directors continue to hold office, in accordance with Section 17, Article XVI, Texas Constitution, until the elected directors qualify for office. Requires the five elected directors by lot to determine which two directors serve two-year terms and which three directors serve four-year terms.

SECTION 9. Requires the secretary of state to prescribe any necessary procedures to implement this Act, including modifications of applicable election procedures, periods, or deadlines.

SECTION 10. (a) Provides that the proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to certain required persons, including the governor, who has submitted the notice and the Act to the Texas Natural Resource Conservation Commission (TNRCC).

(b) Provides that TNRCC has filed its recommendations relating to this Act with certain person within the required time.

(c) Provides that all requirements of the constitution and laws of this state and of the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 11. Effective date: September 1, 1997.

SECTION 12. Emergency clause.