

BILL ANALYSIS

Senate Research Center

S.B. 834
By: Armbrister
Intergovernmental Relations
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As Filed

DIGEST

Currently, in Texas, unincorporated areas have limited access to a purified water supply and sanitary sewer facilities. Current law does not authorize a county to incur debt to construct water and sewer facilities. S.B. 834 would authorize a county to operate a water or sewer utility in unincorporated areas of a county.

PURPOSE

As proposed, S.B. 834 outlines provisions regarding the authority of a county to operate a water or sewer utility in unincorporated areas of a county, including the authority to issue bonds and to acquire property through eminent domain.

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 412B, Local Government Code, by adding Section 412.016, as follows:

Sec. 412.016. COUNTY WATER AND SEWER SYSTEM. (a) Authorizes a county to acquire, own, or operate a water or sewer utility system to serve an unincorporated area of the county in the same manner and under the same regulations as a municipality under Chapter 402, except as provided by this section.

(b) Authorizes a county to issue bonds payable solely from the revenue generated by the water or sewer utility system, and such revenue bonds and notes of the county are prohibited from being deemed an indebtedness, a liability, a general, special, or moral obligation, or a pledge or loan of the faith or credit or taxing power of the state, the county, or any other political subdivision or governmental unit. Prohibits such revenue bonds and notes from constituting an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction or an agreement, obligation, or indebtedness of the county or the state within the meaning of any constitutional or statutory provision. Provides that nothing in this subsection shall be construed to mean that a county is authorized to issue general obligation bonds payable from ad valorem taxes for the purpose of acquiring, owning, or operating a water or sewer utility system to serve an unincorporated area of the county, a county being specifically prohibited from issuing general obligation bonds payable from ad valorem taxes for such purposes.

(c) Authorizes a county to acquire any interest in property necessary to operate a system authorized by this section through any means, including eminent domain. Prohibits a county from exercising the power of eminent domain inside the corporate limits of a municipality.

(d) Prohibits a county from providing water or sewer service to an area in the extraterritorial jurisdiction of a municipality or an area to which a holder of a certificate of public convenience and necessity must provide service under Section 13.250, Water Code, without the consent of the municipality or the holder of the certificate.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Emergency clause.