

BILL ANALYSIS

Senate Research Center
81R4339 SLB-F

S.B. 1204
By: Hegar
Natural Resources
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1204 amends statutes relating to the Bastrop County Water Control and Improvement District No. 2 (district). The district was created by the Bastrop County Commissioners Court in 1985 to provide water service to the residents within the Tahitian Village subdivision of Bastrop County. In 1986, the district was first given the authority to construct and maintain the roads in the Tahitian Village subdivision. The district currently provides water, sewer, and road maintenance and construction services to customers and lot owners within the subdivision. The district operates under the authority provided in Chapter 11001 (Road District Authority of Bastrop County Water Control and Improvement District No. 2), Special District Local Laws Code, under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, and Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code.

As proposed, S.B. 1204 expressly provides the district's existing road district powers, gives the district's board of directors the flexibility to adjust the district's monthly road district charge, authorizes the purchase of equipment with the monthly charge, removes the restriction on money used for road maintenance, provides authority to finance road district projects, and authorizes the district to enter into contracts for road district projects.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11001.002(a), Special District Local Laws Code, to authorize the Bastrop County Water Control and Improvement District No. 2 (district), under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county or a municipality for operation and maintenance macadamized, graveled, or paved roads or improvements, including storm drainage, in aid of those roads, inside the district. Deletes existing text stating that the district has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district created under Section 52, Article III, Texas Constitution.

SECTION 2. Amends Section 11001.007, Special District Local Laws Code, as follows:

Sec. 11001.007. MONTHLY CHARGES. (a) Authorizes the board of directors of the district (board) by resolution to impose a monthly charge in an amount not to exceed \$15, rather than five dollars, for each developed or undeveloped lot, tract, or reserve in the district.

(b) Provides that money from the monthly charge may be used only for, rather than must be used for, constructing, maintaining, or repairing public streets or roadways in the district or purchasing equipment necessary to accomplish a purpose described by Subdivision (1). Makes nonsubstantive changes.

(c) Prohibits more than 10 percent of the money received under Subsection (a) from being used for administrative purposes. Deletes existing text prohibiting more than 15 percent of the money received under Subsection (a) from being used for road maintenance. Makes nonsubstantive changes.

SECTION 3. Amends Chapter 11001, Special District Local Laws Code, by adding Sections 11001.014-11001.016, as follows:

Sec. 11001.014. **AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.**

(a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, to finance the acquisition, construction, improvement, maintenance, or operation of a project under Section 11001.002 (Road District Powers and Duties).

(b) Prohibits the district from issuing bonds or other obligations secured wholly or partly by ad valorem taxes to finance projects authorized by Section 11001.002 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 11001.002 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds), 49.182 (Commission Supervision of Projects and Improvements), and 50.107 (Authority of Commission Over Issuance of District Bonds), Water Code, do not apply to a project authorized by Section 11001.002 or to bonds issued to finance the project.

Sec. 11001.015. **TAX TO REPAY BONDS.** Authorizes the district to impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 11001.014.

Sec. 11001.016. **ROAD CONTRACTS.** Authorizes the district to enter into a contract for a road project in the manner provided by Subchapter I (Construction, Equipment, Materials, and Machinery Contracts), Chapter 49, Water Code.

SECTION 4. (a) Provides that the 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 all persons, agencies, officials, or entities to which they are required to be furnished under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution, and Chapter 313 (Notice for Local and Special Laws), Government Code.

(b) Provides that the governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality (TCEQ).

(c) Provides that TCEQ has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

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

SECTION 5. Effective date: upon passage or September 1, 2009.