

## **BILL ANALYSIS**

Senate Research Center  
81R5806 PMO-F

S.B. 799  
By: Williams  
Natural Resources  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Plum Creek Fresh Water Supply District No. 1 of Liberty County (district) was originally created by order of the Liberty County commissioners court on November 19, 2007, as a fresh water supply district with the powers of water, sewer, and roads. The district contains approximately 7,220 acres in Liberty County. The land is owned by one property owner, who also owns approximately 200 acres in Montgomery County that is adjacent to the district.

As proposed, S.B. 799 changes the name of the district to Plum Creek Fresh Water Supply District No. 1. This legislation provides the district with drainage powers and the power to subdivide and annex adjacent land.

### **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. Sets forth the name of the Plum Creek Fresh Water Supply District No. 1 (district).

SECTION 2. Amends Subtitle B, Title 6, Special District Local Laws Code, by adding Chapter 6907, as follows:

#### CHAPTER 6907. PLUM CREEK FRESH WATER SUPPLY DISTRICT NO. 1

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6907.001 DEFINITIONS. Defines "board," "director," and "district."

Sec. 6907.002 NATURE OF DISTRICT. Provides that the district is a fresh water supply district created under and essential to accomplish the purposes of Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 6907.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. Provides that all land and other property in the district will benefit from the improvements and services to be provided by the district.

[Reserves Sections 6907.004-6907.050 for expansion.]

##### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 6907.051. GOVERNING BODY; TERMS. (a) Provides that the district is governed by a board of five elected directors.

(b) Provides that the directors serve staggered four-year terms.

Sec. 6907.052. QUALIFICATIONS. Requires a person, in order to be qualified to serve as director, to be 18 years of age, a resident of this state, and an owner of land subject to taxation in the district or a qualified voter of the district.

[Reserves Sections 6907.053-6907.100 for expansion.]

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 6907.101. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 6907.102. FRESH WATER SUPPLY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state applicable to fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 (Provisions Applicable to all Districts) and 53 (Fresh Water Supply Districts), Water Code.

Sec. 6907.103. AUTHORITY FOR DRAINAGE PROJECTS. Authorizes the district to purchase, construct, acquire, own, operate, maintain, repair, or improve all works, improvements, facilities, plants, equipment, and appliances necessary to gather, conduct, divert, and control local stormwater or other local harmful excesses of water in the district.

Sec. 6907.104. DIVISION OF DISTRICT. (a) Authorizes the district to be divided into two or more new districts only if the district has no outstanding bonded debt, and is not imposing ad valorem taxes.

(b) Provides that this chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits any new district created by the division of the district, at the time the new district is created, from containing any land outside the territory of the district as it existed on the date the district was created.

(d) Authorizes the district board of directors (board), on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Authorizes the board to adopt an order dividing the district before or after the date the board holds an election to confirm the district's creation.

(f) Requires that an order dividing the district name each new district, include the metes and bounds description of the territory of each new district, appoint temporary directors for each new district, and provide for the division of assets and liabilities between or among the new districts.

(g) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with TCEQ and record the order in the real property records of each county in which the district is located.

(h) Requires any new district created by the division of the district to hold a confirmation and directors' election as provided by Section 49.102 (Confirmation and Director Election), Water Code.

(i) Provides that municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(j) Requires any new district created by the division of the district, to hold an election as required by this chapter to obtain voter approval before the district is

authorized to impose a maintenance tax or issue bonds payable wholly or partly from as valorem taxes.

[Reserves Sections 6907.106-6907.150 for expansion.]

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 6907.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Authorizes the district to issue, without an election, bonds or other obligations secured by revenue other than ad valorem taxes, or contract payments described by Section 6907.153.

(b) Requires the district to hold an election in the manner provided by Chapters 49 and 53, Water Code, to obtain voter approval before the district is authorized to impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 6907.152. OPERATION AND MAINTENANCE TAX. (a) Authorizes the district, if authorized at an election held under Section 6907.151, to impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107 (Operation and Maintenance Tax), Water Code.

(b) Requires the board to determine the tax rate. Prohibits the rate from exceeding the rate approved at the election.

Sec. 6907.153. CONTRACT TAXES. (a) Authorizes the district, in accordance with Section 49.108 (Contract Elections), Water Code, to impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) Authorizes a contract approved by the district voters to contain a provision stating that the contract is to be modified or amended by the board without further voter approval.

Sec. 6907.154. TAX ASSESSOR AND COLLECTOR. Provides that Sections 53.072-53.075 (Assessor and Collector's Qualifications; Assessor and Collector's Term of Office; Assessor and Collector's Salary), Water Code, do not apply to the district. Authorizes the board to employ or contract with a tax assessor and collector for the district as provided by Chapter 49, Water Code.

[Reserves Section 6907.155-6907.200 for expansion.]

#### SUBCHAPTER E. BONDS AND OTHER OBLIGATION

Sec. 6907.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 6907.202. TAXES FOR BONDS. Requires the board, at the time the district issues bonds payable wholly or partly from ad valorem taxes, to provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Section 53.188 (Levy of Taxes), Water Code.

Sec. 6907.203. BONDS FOR ROAD PROJECTS. Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from

ad valorem taxes from exceeding, at the time of issuance, one-fourth of the assessed value of the real property in the district.

SECTION 3. (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, Article XVI, 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 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 the 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 4. Effective date: upon passage or September 1, 2009.