

## **BILL ANALYSIS**

Senate Research Center  
82R4096 PMO-F

H.B. 1551  
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Natural Resources  
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Engrossed

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

The Bell County Water Control and Improvement District No. 1 (district) currently operates under its own statute as well as certain Water Code provisions. The district's only bonded indebtedness is comprised of revenue bonds secured by and payable solely from revenues generated under wholesale water and sewer contracts with cities, water supply corporations, other water districts, and Fort Hood.

Current law requires the district to hold an election to issue revenue bonds. This requirement is out of sync with other state law on revenue bonds, which do not require such an election, such as law applicable to municipal utility districts and other law relating to certain special districts.

H.B. 1551 authorizes the district to issue bonds for certain purposes, including bonds that may be issued without an election.

H.B. 1551 amends current law relating to the power of the Bell County Water Control and Improvement District No. 1 to issue bonds.

### **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 9005.102, Special District Local Laws Code, as follows:

Sec. 9005.102. **AUTHORITY TO ISSUE BONDS.** (a) Authorizes the Bell County Water Control and Improvement District No. 1 (district) to issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, enlarging, or extending any district works, improvements, facilities, plants, equipment, and appliances needed or useful to accomplish or carry out the purposes, powers, functions, or obligations of the district, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, or solid waste disposal system. Deletes existing text defining "district property."

(b) Authorizes the district, to provide for the payment of bonds issued under this section, to:

(1) impose ad valorem taxes on all taxable property in the district;

(2) pledge all or any part of revenue available to the district from any source, including all or part of the revenue:

(A) resulting from the ownership or operation of the district's works, improvements, facilities, plants, equipment, and appliances;  
or

(B) available under specific contracts for a period of time the district determines; or

(3) pledge any combination of the sources of taxes or revenue described by Subdivisions (1) and (2).

Deletes existing text related authorizing the district to call a bond election, issue certain bonds, and vote on certain bonds.

(c) Provides that bonds secured by and payable solely from revenue under Subsection (b)(2):

(1) may be issued without an election; and

(2) are not subject to Section 49.181 (Authority of Commission Over Issuance of District Bonds), Water Code.

Deletes existing text related to requirements for a engineer's report if bonds are voted on and issued in connection with property to be operated by the district under lease.

(d) Requires the district to hold an election in the manner provided by Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(e) Authorizes the district to exercise any of the rights or powers granted to the governing body of an issuer under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

(f) Provides that this section is wholly sufficient authority for the issuance of bonds, the pledge of revenues, taxes, or any combination of revenues and taxes, and the performance of other acts and procedures authorized by this section by the district without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section.

(g) Provides that to the extent of any conflict or inconsistency between this section and any other law, this section controls.

(h) Authorizes the district to use any law not in conflict with this section to the extent convenient or necessary to carry out any power or authority, express or implied, granted by this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. 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, 2011.