

BILL ANALYSIS

C.S.H.B. 3220
By: Martinez, "Mando"
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that the powers of the Hidalgo County Water Control and Improvement District No. 18 need to be expanded to include certain road projects. C.S.H.B. 3220 seeks to address this and other issues related to the district.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3220 amends the Special District Local Laws Code to establish provisions relating to the Hidalgo County Water Control and Improvement District No. 18 to provide certain improvements, projects, and services for public use and benefit. The bill provides for, among other provisions, authority for road projects, road standards and requirements, and district participation in water conservation projects. The bill establishes that the district's powers and duties include, subject to certain requirements, the authorization to issue obligations and impose property taxes and that the district retains all rights, powers, privileges, authority, duties, and functions that it had before the bill's effective date. The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3220 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9045 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle I, Title 6, Special District Local Laws Code, is amended by adding Chapter 9067 to read as follows:

84R 26842

15.119.859

Substitute Document Number: 84R 22110

CHAPTER 9045. HIDALGO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 18
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9045.001. DEFINITION.

Sec. 9045.002. NATURE AND PURPOSES OF DISTRICT.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9045.051. GENERAL POWERS AND DUTIES.

Sec. 9045.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including but not limited to the power construct, participate in, own, maintain, and provide services related to water conservation projects, lakes, reservoirs, canals, wells, roads, water, sewer, recycled water, and related utility facilities.

Sec. 9045.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may 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 (i.e. lakes, reservoirs, canals, underground drainage, water treatment systems, etc.) in aid of those roads.

Sec. 9045.054. ROAD STANDARDS AND REQUIREMENTS.

Sec. 9045.055. DIVISION OF DISTRICT.
(a) The district may be divided into two or more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district

CHAPTER 9067. HIDALGO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 18
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9067.001. DEFINITION.

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SUBCHAPTER B. POWERS AND DUTIES

Sec. 9067.051. GENERAL POWERS AND DUTIES.

Sec. 9067.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including the power to construct, participate in, own, maintain, and provide services related to water conservation projects, lakes, reservoirs, canals, and wells, and water, sewer, recycled water, and related utility facilities.

Sec. 9067.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, a municipality, or a public improvement district within a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, lakes, reservoirs, canals, underground drainage, and water treatment systems, in aid of those roads.

Sec. 9067.054. ROAD STANDARDS AND REQUIREMENTS.

No equivalent provision.

created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the district as of the effective date of the Act enacting this chapter.

(d) The district's board of directors, 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, may adopt an order dividing the district.

(e) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors serving staggered four-year terms for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) A new district created by the division of the district is not required to hold a confirmation election.

(h) The consent of a municipality or county is not required for the creation of any new district under this section if the new district's creation complies with Subsection (c).

(i) A new district created by the division of the district must hold an election to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

No equivalent provision.

Sec. 9067.055. PARTICIPATION IN WATER CONSERVATION PROJECTS. The district may participate in the funding and construction of improvements related to water conservation projects within the City of McAllen Tax Increment Reinvestment Zone Number One. Those projects include the construction of lakes, reservoirs, drainage facilities, recycled water facilities,

constructed wetlands and filtration systems, and related infrastructure. The district may not engage in projects authorized by this section outside of the boundaries of the district. The district may exercise the powers under this section only in cooperation with a public improvement district located within the boundaries of the City of McAllen Tax Increment Reinvestment Zone Number One under an agreement between the district and the public entity or improvement district.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9045.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may 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 a project authorized by Section 9045.053.

(b) The district may not issue 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.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Sec. 9045.102. TAXES FOR BONDS.

SECTION 2. The Hidalgo County Water Control and Improvement District No. 18 retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. (a) The legislature validates and confirms all **governmental** acts and proceedings of the Hidalgo County Water Control and Improvement District No. 18 that were taken before the effective date of

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9067.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) The district may 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 a project authorized by Section 9067.053 or 9067.055.

(b) The district may not issue 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.

(c) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the district.

Sec. 9067.102. TAXES FOR BONDS.

SECTION 2. Same as introduced version.

SECTION 3. (a) The legislature validates and confirms all acts and proceedings of the Hidalgo County Water Control and Improvement District No. 18 that were taken before the effective date of this Act.

this Act.

(b) This section does not apply to any matter that on the effective date of this Act:

- (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or
- (2) has been held invalid by a final court judgment.

SECTION 4. (a) 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, Government Code.

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

(c) The Texas Commission on Environmental Quality 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) 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. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

(b) Subsection (a) of this section does not apply to any matter that on the effective date of this Act:

- (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court; or
- (2) has been held invalid by a final judgment of a court.

SECTION 4. Same as introduced version.

SECTION 5. Same as introduced version.