

BILL ANALYSIS

S.B. 1422
By: Zaffirini
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that the Maxwell Water Supply Corporation provides water service to approximately 1,700 customers within Hays and Caldwell Counties but that the number of anticipated customers is expected to increase substantially as the region continues to grow. It has been suggested that the creation of a special utility district to take over for the corporation would provide numerous benefits to the customers and property within the service area. S.B. 1422 seeks to provide for the creation of such a special utility 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

S.B. 1422 amends the Special District Local Laws Code to create the Maxwell Special Utility District. If the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2022, the bill dissolves the district on that date and sets the bill's provisions to expire September 1, 2023, but requires the district to take certain actions relating to the dissolution. The bill provides for the following if the creation of the district is confirmed at such an election:

- the transfer by the Maxwell Water Supply Corporation of its assets, debts, and contractual rights and obligations to the district;
- the corporation's dissolution; and
- the holding by the district of a certain certificate of convenience and necessity.

The bill authorizes the district to charge a certain water service impact fee. The bill expressly prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all the members elected to each house.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.