

BILL ANALYSIS

Senate Research Center

S.B. 1820
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Natural Resources
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As Filed

DIGEST

Currently, the Permanent School Fund owns all of the property within the proposed municipal utility district Paseo del Este Municipal Utility. In anticipation of annexation by the City of El Paso, in 1993 the School Land Board removed property from the Lower Valley Water Authority. Despite efforts by the General Land Office and the City of El Paso, they have not been able to come to a consensus on an annexation and/or utility service plan. The Permanent School Fund property is not as developed as it could be and has no access to utilities. S.B. 1820 would create the Paseo del Este Municipality to provide Permanent School Fund Land with a vehicle for providing utilities in a timely, affordable manner.

PURPOSE

As proposed, S.B. 1820 outlines provisions, provides for the authorization of bonds and the levy of taxes, and provides civil penalties regarding the creation, administration, powers, duties, functions, operation, and financing of the Paseo del Este Municipal Utility District.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

ARTICLE I. GENERAL PROVISIONS

SECTION 1.01. CREATION. Provides that by virtue of Section 59, Article XVI, Texas Constitution, a conservation and reclamation district is created to be known as Paseo del Este Municipal Utility District (district) which shall be a governmental agency and a body politic and corporate. Provides that the district is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. Requires the district to have all of the powers of municipal utility districts established under Chapter 54, Water Code, and the district shall conduct its affairs subject to Chapters 50 and 54, Water Code, unless otherwise provided in this Act.

SECTION 1.02. TERRITORY. Sets forth the territory the district is required to comprise.

ARTICLE II. ADMINISTRATIVE PROVISIONS

SECTION 2.01. BOARD. Requires the district to be governed by and all powers of the district to be exercised by a board of five directors (board).

SECTION 2.02. DIRECTOR ELIGIBILITY. Sets forth requirements for director eligibility.

SECTION 2.03. TERMS OF DIRECTORS AND APPOINTMENT PROCEDURES. Sets forth the terms of the board of directors and appointment procedures for initial directors.

SECTION 2.04. ELECTION OF PERMANENT DIRECTORS. Sets forth requirements regarding the election of permanent directors.

SECTION 2.05. QUALIFIED VOTERS. Provides that if any owner of over 500 acres of land within

the district is a constitutional fund of the state, the members of the state board responsible for administering the land holdings of such fund shall each be qualified voters of the district.

SECTION 2.06. QUALIFICATION OF DIRECTOR. Sets forth requirements regarding the qualification of a director.

SECTION 2.07. MEETINGS AND ACTIONS OF THE BOARD. Sets forth requirements and outlines provisions regarding meetings and actions of the board.

SECTION 2.08. ORGANIZATION OF BOARD. Sets forth requirements regarding the organization of the board.

SECTION 2.09. INTEREST IN CONTRACT. Provides that a director who is financially interested in a contract proposed to be executed by the district for the purchase of property or services or for the construction of facilities shall disclose the interest to the board and may not vote on the acceptance of the contract.

SECTION 2.10. DISTRICT EMPLOYEES. Sets forth requirements regarding district employees.

SECTION 2.11. EMPLOYEE BONDS. Sets forth requirements regarding employee bonds.

SECTION 2.12. PRINCIPAL OFFICE. Sets forth requirements and provisions regarding the maintenance of the district's principal office.

SECTION 2.13. RECORDS. Sets forth requirements regarding the storage of records.

SECTION 2.14. SUIT. Authorizes the district to sue and be sued in its corporate name.

ARTICLE 3. POWERS AND DUTIES

SECTION 3.01. POWERS AND DUTIES. Sets forth powers and duties of the district.

SECTION 3.02. DISTRICT RULES. Sets forth district rules.

SECTION 3.03. INSPECTIONS AND ALLEGATIONS. Authorizes the district to enter public or private property in the district for the purpose of inspecting and investigating conditions relating to its authorized purposes under the same provisions and restrictions applicable to the Texas Natural Resource Conservation Commission in addition to the powers conferred on it under Section 54.216, Water Code.

SECTION 3.04. HEARINGS AND ORDERS. Sets forth hearings and orders of the board.

SECTION 3.05. CIVIL PENALTY; INJUNCTION. Outlines provisions regarding a civil penalty for a person in violation of a rule, permit, or order of the district.

SECTION 3.06. PERMITS; CONTRACTS; COOPERATIVE AGREEMENTS. Outlines provisions regarding permits, contracts, and cooperative agreements.

SECTION 3.07. FACILITIES. Outlines provisions regarding district facilities.

SECTION 3.08. ACQUISITION AND DISPOSITION OF PROPERTY. Sets forth requirements and outlines provisions regarding the acquisition and disposition of property.

SECTION 3.09. RELOCATION OF FACILITIES. Sets forth requirements regarding the relocation of district facilities.

ARTICLE 4. GENERAL FISCAL PROVISIONS

SECTION 4.01. DISBURSEMENT OF MONEY. Authorizes the district to disburse money only by

check, draft, order, or other instrument signed by the person or persons authorized in the board's bylaws or by board resolution.

SECTION 4.02. FEES AND CHARGES. Authorizes the district to establish fees and charges not to exceed the amounts necessary to enable the district to fulfill the obligations imposed on it by this Act.

SECTION 4.03. LOANS AND GRANT. Sets forth provisions regarding loans and grants.

SECTION 4.04. FISCAL YEAR. Requires the board to establish the district's fiscal year.

SECTION 4.05. DEPOSITORY BANKS. Sets forth requirements and outlines provisions regarding the designation of depository banks by the board.

ARTICLE 5. BOND AND TAX PROVISIONS

SECTION 5.01. TAX; REVENUE BONDS. Sets forth requirements and outlines provisions regarding tax and revenue bonds.

SECTION 5.02. BOND ANTICIPATION NOTES. Outlines provisions regarding bond anticipation notes.

SECTION 5.03. REFUNDING BONDS. Outlines provisions regarding refunding bonds.

SECTION 5.04. APPROVAL AND REGISTRATION OF BONDS. Requires district bond review and approval to be governed by the provisions of Chapter 54F, Water Code.

SECTION 5.05. TAXATION. Outlines provisions and sets forth requirements regarding taxation.

SECTION 5.06. BONDS ARE AUTHORIZED INVESTMENTS. Sets forth requirements regarding bonds.

SECTION 5.07. PROPERTY: RENDITION; VALUATION; LEVY. Sets forth requirements regarding property in the district.

ARTICLE 6. ADDITION OF LAND TO DISTRICT

SECTION 6.01. ANNEXATION. Authorizes other territory to be included in the district as provided in Sections 6.02, 6.03, and 6.04 of this Act notwithstanding any other provision of law.

SECTION 6.02. PETITION. Sets forth requirements and outlines provisions regarding the filing of a petition.

SECTION 6.03. NOTICE AND HEARING. Sets forth requirements regarding notice and hearing.

SECTION 6.04. ANNEXATION ORDER. Outlines provisions regarding an annexation order.

ARTICLE 7. EXCLUSION OF LAND FROM DISTRICT

SECTION 7.01. PETITION. Outlines provisions regarding a petition of a landowner.

SECTION 7.02. NOTICE AND HEARING. Sets forth requirements regarding notice and hearing.

SECTION 7.03. EFFECTIVE DATE OF ORDER EXCLUDING LAND. Sets forth provisions regarding the effective date of an order excluding land.

SECTION 7.04. PETITION FOR RATIFICATION ELECTION. Outlines provisions regarding a petition for a ratification election.

ARTICLE 8. DIVISION OF DISTRICT

SECTION 8.01. CONDITIONS OF DIVISION. Outlines provisions regarding the conditions of division of the district.

SECTION 8.02. ELECTION; AUTHORITY OF NEW DISTRICTS. Sets forth requirements regarding an election to establish the authority of new districts.

SECTION 8.03. APPOINTMENT AND ELECTION OF DIRECTORS. Outlines provisions and sets forth requirements regarding the appointment and election of directors of resulting districts.

SECTION 8.04. PAYMENT OF DISTRICT DEBTS. Outlines provisions regarding the payment of district debts.

SECTION 8.05. AUTHORITY OF RESULTING DISTRICTS. Sets forth requirements regarding the authority of resulting districts.

SECTION 8.06. ASSUMPTION OF OBLIGATIONS. Sets forth requirements and outlines provisions regarding the assumption of obligations.

SECTION 8.07. NOTICE TO TEXAS NATURAL RESOURCE CONSERVATION COMMISSION. Requires the original district that confirms a plan for division to provide written notice of such plan to the Texas Natural Resource Conservation Commission within 30 days after a division election.

ARTICLE 9. ANNEXATION AND DISSOLUTION OF DISTRICT

SECTION 9.01. ANNEXATION. Sets forth requirements regarding annexation of a municipality.

ARTICLE 10. AFFORDABLE HOUSING

SECTION 10.01. Requires a minimum of five percent of the residential housing units within the district to be utilized for the construction of affordable housing, such as affordable housing to be distributed among different residential areas of the district. Defines "affordable housing."

ARTICLE 11. MISCELLANEOUS PROVISIONS

SECTION 11.01. NO TAXATION. Outlines provisions regarding no taxation.

SECTION 11.02. FINDINGS RELATING TO PROCEDURAL REQUIREMENTS. Sets forth findings relating to procedural requirements.

SECTION 11.03. Severability clause.

SECTION 11.04. Emergency clause.

Effective date: upon passage.