

BILL ANALYSIS

Senate Research Center
79R7149 SGA-F

S.B. 1864
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Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 1864 creates Galveston Municipal Utility District No. 51 (district) that encompasses an area of land inside the corporate limits of the City of Kemah, Texas. The land located within the district is single-family residential and commercial development; therefore, road services need to be secured. It is necessary to empower the district under Chapter 49 (Provisions Applicable to All Districts) and 54 (Municipality Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds. S.B. 1864 also provides regulations regarding the district having road powers.

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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8130, as follows:

CHAPTER 8130. GALVESTON COUNTY MUNICIPAL UTILITY
DISTRICT NO. 51

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8130.001. DEFINITION. Defines "district."

Sec. 8130.002. NATURE OF DISTRICT. Provides that the Galveston County Municipal Utility District No. 51 (district) is created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8130.003. APPLICABILITY OF OTHER LAW. Provides that certain laws apply to the district, except as otherwise provided by this chapter.

[Reserves Sections 8130.004-8130.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8130.051. ROAD PROJECTS. Authorizes the district to provide for the construction, maintenance, and operation of macadamized, graveled, or paved roads or turnpikes, or works, facilities, or improvements in aid of those roads or turnpikes, inside or outside the district to the extent authorized by Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit, Grants; Bonds), Article III, Texas Constitution.

[Reserves Sections 8130.052-8130.100 for expansion.]

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8130.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. Authorizes the district to impose a tax to pay the principal of or interest on bonds issued under Section 8130.151.

[Reserves Sections 8130.102-8130.150 for expansion.]

SUBCHAPTER D. BONDS

Sec. 8130.151. AUTHORITY TO ISSUE BONDS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, to finance the construction, maintenance, or operation of projects under Section 8130.051.

(b) Prohibits the district from issuing bonds or other obligations secured in whole or in part by ad valorem taxation to finance projects authorized by Section 8130.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district or of the defined area to be benefited by the project as provided by Subchapter J (Services for Certain Defined Areas and Designated Property), Chapter 54, Water Code. Provides that the simple majority vote approval required by Section 54.808(a) (Declaring Result and Issuing Order), Water Code, does not apply to an election under this subsection.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8130.051 from exceeding one-fourth of the assessed value of the real property in the district or the defined area, as applicable.

(d) Provides that 49.181 (Authority of Commission Over Issuance of District Bonds), 49.182 (Commission Supervision of Projects and Improvements), and 50.107 (Authority of Commission Over Issuance of District Bonds), Water Code, do not apply to a project undertaken by the district under Section 8130.051 or to bonds issued by the district to finance the project.

SECTION 2. (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 the Texas Commission on Environmental Quality.

(c) Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with certain state elected officials within the required time.

(d) Provides that 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 3. Effective date: September 1, 2005.