

BILL ANALYSIS

Senate Research Center
79R13450 SGA-F

S.B. 1882
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Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Galveston County Municipal Utility District No. 67 (district) will encompass an area of land inside the extraterritorial jurisdiction of the City of Texas City, Galveston County, Texas. The land to be located in the district will be developed into single-family residential and commercial properties; therefore, water, sewer, and drainage services need to be secured. It is necessary to create the district under Chapters 49 and 54, Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. As proposed, S.B. 1882 provides for the creation, administration, powers, duties, operation, and financing of the district.

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 8151, as follows:

CHAPTER 8151. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 67

SUBCHAPTER A. GENERAL PROVISIONS.

Sec. 8151.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8151.002. NATURE OF DISTRICT. Provides that Galveston County Municipal Utility District No. 67 (district) is a municipal utility district in Galveston County created under and essential to accomplish the purposes of Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8151.003. CONFIRMATION ELECTION REQUIRED. Sets forth certain provisions and requirements of the district if the creation of the district is not confirmed at a confirmation election held under Section 8151.023 before September 1, 2007.

Sec. 8151.004. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described in Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of this Act creating this chapter form a closure. Provides that a mistake made in the field notes or in the copying of the field notes in the legislative process does not affect certain aspects of the district.

[Reserves Sections 8151.005-8151.020 for expansion.]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8151.021. TEMPORARY DIRECTORS. (a) Authorizes a person, on or after September 1, 2005, who owns land inside the boundaries of the proposed district to petition the Texas Commission on Environmental Quality (TCEQ) to appoint the five persons listed in the petition as temporary directors.

(b) Requires TCEQ to appoint as temporary directors the persons listed in a petition received by TCEQ under Subsection (a).

(c) Requires TCEQ to appoint a person to fill the vacancy if a temporary director fails to qualify for office.

(d) Provides that temporary directors serve until the earlier of certain dates.

Sec. 8151.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors to meet at a location in the district agreeable to the majority of the directors as soon as practicable after all temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code. Requires the meeting to be at the Galveston County Courthouse if a location cannot be agreed upon. Requires the temporary directors to elect officers from amongst themselves and conduct any other district business at the meeting.

Sec. 8151.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8151.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8151.023 to draw lots to determine the expiration of their terms.

Sec. 8151.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8151.026-8151.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8151.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors who serve staggered four-year terms that expire on June 1 of even-numbered years.

Sec. 8151.052. ELECTION OF DIRECTORS. Requires the appropriate numbers of directors to be elected on the uniform election date in May of each even numbered year.

[Reserves Sections 8151.053-8151.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8151.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8151.102. ROAD PROJECTS. Sets forth certain authorizations of the district pertaining to roads and road projects.

Sec. 8151.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Requires the district to comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Texas City, including an ordinance or resolution adopted before September 1, 2005, that consents to the

creation of the district or to the inclusion of lands within the district, subject to the limitations of Section 54.016 (Consent of City), Water Code.

Sec. 8151.104. DIVISION OF DISTRICT. Authorizes the district to divide into two or more districts in the manner provided by Section 53.029 (Division or Assumption of Authority by Certain Districts), Water Code, if the district meets certain requirements.

[Reserves Sections 8151.105-8151.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8151.151. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal or interest on bonds issued under Section 8151.201.

[Reserves Sections 8151.152-8151.200 for expansion.]

SUBCHAPTER E. BONDS

Sec. 8151.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of certain projects.

(b) Prohibits the district from issuing bonds under Subsection (a) unless the issuance is approved by a vote of a two-thirds majority of voters in the district voting in an election called for that purpose.

(c) Prohibits bonds or obligations issued or incurred to finance projects authorized by Section 8151.102 from exceeding one-fourth of the assessed value of the real property of the district.

(d) Provides that Sections 49.181 (Authority of Commission over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, do not apply to a project undertaken by the district under Section 8151.102 or to bonds issued by the district to finance the project.

SECTION 2. Sets forth the initial territory contained in the district

SECTION 3. 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 4. Effective date: September 1, 2005.