

## **BILL ANALYSIS**

Senate Research Center  
82R5771 KYF-F

S.B. 942  
By: Watson  
Intergovernmental Relations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Travis County Water Control and Improvement District No. 17 (district), located in the City of Lakeway, Travis County, Texas, desires to establish and administer a defined area of approximately 53 acres within the district to construct roads and related improvements to support the Lakeway Regional Medical Center.

S.B. 942 is necessary to empower the district under Chapter 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, to purchase, acquire, or construct roads to serve the occupants of a defined area to hold an election to authorize tax exempt bonds and to impose a tax to repay bonds. S.B. 942 authorizes the defined area to levy of an ad valorem tax solely within the defined area and only after an election.

As proposed, S.B. 942 amends current law relating to the creation and financing of the Lakeway Regional Medical Center Defined Area in Travis County Water Control and Improvement District No. 17 and provides authority to impose a tax and issue bonds.

### **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 I, Title 6, Special District Local Laws Code, by adding Chapter 9017, as follows:

#### **CHAPTER 9017. TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17**

##### **SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 9017.001. DEFINITIONS. Defines "board," "defined area," and "district."

[Reserves Sections 9017.002-9017.050 for expansion.]

##### **SUBCHAPTER B. LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA**

Sec. 9017.051. CREATION OF LAKEWAY REGIONAL MEDICAL CENTER DEFINED AREA. Provides that the defined area is created in the Travis County Water Control and Improvement District No. 17 (district).

Sec. 9017.052. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) Provides that the defined area is created to serve a public purpose and benefit.

(b) Provides that the defined area is created to accomplish the purposes of:

(1) a water control and improvement district as provided by general law and Section 59 (Conservation and Development of Natural Resources and

Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution; and

(2) Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 9017.053. INITIAL DEFINED AREA TERRITORY. (a) Provides that the defined area is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) the defined area's organization, existence, or validity;

(2) the district's right to execute contracts or issue any type of bond or obligation for the purposes for which the defined area is created or to make payments under a contract or obligation, or pay the principal of and interest on a bond;

(3) the district's right to impose a tax in the defined area; or

(4) the defined area's legality or operation.

Sec. 9017.054. ADMINISTRATION OF DEFINED AREA. (a) Requires the district's board of directors (board), except as provided by Subsection (b), to administer the defined area as provided by Chapter 51 (Water Control and Improvement Districts), Water Code.

(b) Provides that Sections 51.518 (Defining Area and Designating Property To Be Benefitted By Improvements; Adopting Tax Plan), 51.519 (Notice and Hearing), 51.520 (Board's Order), 51.521 (Procedure for Election), 51.522 (Election Not Required in Separate Election Precinct), 51.523 (Ballots), 51.524 (Declaring Result and Issuing Order), 51.526 (Election in Separate Election Precinct), 51.527 (Issuance of Bonds and Levy of Taxes for Defined Area or Designated Property), 51.528 (Contract to Provide Improvements, Facilities, and Services to Designated Property or Area), and 51.529 (Authority of District), Water Code, do not apply to the defined area.

Sec. 9017.055. ELECTIONS IN DEFINED AREA. (a) Requires that an election limited to the defined area conform to the requirements of the Election Code. Requires the board to submit the appropriate issue to the voters of the defined area and authorizes that the issue also be submitted on the same ballot to be used in a general election.

(b) Authorizes the board, in an election held for a purpose set forth in Section 9017.056, 9017.058, 9017.059, 9017.060, 9017.061, or 9017.062, to include one or more purposes in a single proposition. The ballot for an election under this chapter must be printed to provide for voting for or against the proposition.

(c) Provides that an election under this section does not require that an election be held in the part of the district outside the defined area.

Sec. 9017.056. AUTHORITY FOR ROAD PROJECTS IN DEFINED AREA. Authorizes the district, under Section 52, Article III, Texas Constitution, to 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, in aid of those roads, including roads located outside the boundaries of the defined area, to serve the defined area as determined by the board.

**Sec. 9017.057. ROAD STANDARDS AND REQUIREMENTS IN DEFINED AREA.**

(a) Requires that a road project in the defined area meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires that a road project, if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) Requires the Texas Transportation Commission, if the state will maintain and operate the road, to approve the plans and specifications of the road project.

**Sec. 9017.058. ELECTIONS REGARDING DEFINED AREA TAXES OR BONDS.**

(a) Requires the district to hold an election in the defined area in the manner provided by Section 9017.055 to obtain voter approval before the district may impose an ad valorem tax only on the property of the defined area or issue bonds payable from ad valorem taxes only on the property of the defined area.

(b) Prohibits the district from issuing bonds payable, wholly or partly, from ad valorem taxes to finance a road project in the defined area unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area voting at an election held for that purpose.

**Sec. 9017.059. OPERATION AND MAINTENANCE TAX.** (a) Authorizes the district, if authorized at an election held under Section 9017.058, to impose an operation and maintenance tax on taxable property in only the defined area in accordance with Section 49.107 (Operation and Maintenance Tax), Water Code.

(b) Requires the board to determine the tax rate. Prohibits the rate from exceeding the rate approved at the election.

**Sec. 9017.060. CONTRACT TAXES.** (a) Authorizes the district, in accordance with Section 49.108 (Contract Elections), Water Code, to impose a tax other than an operation and maintenance tax in the defined area only and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the defined area voters voting at an election held under Section 9017.058.

(b) Authorizes a contract, in addition to the purposes allowed by Chapter 49 (Provisions Applicable to All Districts), Water Code, to contain provisions related to the plant, works, facilities, roads, or other projects to serve the defined area.

(c) Authorizes a contract approved by the defined area voters to contain a provision stating that the contract may be modified or amended by the board without further voter approval.

**Sec. 9017.061. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.**

Authorizes the district to issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of the plant, works, facilities, roads, or other projects to serve the defined area.

**Sec. 9017.062. TAXES FOR BONDS.** Authorizes the board, at the time the district issues bonds under Section 9017.058, to provide for the imposition of a tax to pay the principal of or interest on the bonds.

Sec. 9017.063. BONDS FOR ROAD PROJECTS. Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects in the defined area, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the defined area.

SECTION 2. Sets forth the initial boundaries of the defined area.

SECTION 3. Provides that all requirements of the constitution and the 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, 2011.