

## **BILL ANALYSIS**

Senate Research Center  
83R4831 MMC-F

H.B. 2055  
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Intergovernmental Relations  
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Engrossed

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

Certain water districts are required to obtain approval of the Texas Commission on Environmental Quality (TCEQ) before they may issue bonds to finance their infrastructure construction projects. This requirement was previously enacted in response to abuses in special districts created by developers who issued bonds for the purpose of obtaining a reimbursement of infrastructure construction costs. The requirements of that law not only add considerable cost to a project but also can delay a project for many months while a district waits for TCEQ approval.

There are a number of water districts that are currently exempt from compliance with the TCEQ approval requirement, placing the Marilee Special Utility District at a competitive disadvantage. The Marilee Special Utility District, which was created several decades ago as a water supply corporation and then converted to a special utility district, has demonstrated sound management and financial strength and it should be allowed to issue net revenue bonds or notes without TCEQ oversight.

H.B. 2055 amends current law relating to the authority to issue bonds of the Marilee Special Utility 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 C, Title 6, Special District Local Laws Code, by adding Chapter 7215, as follows:

#### CHAPTER 7215. MARILEE SPECIAL UTILITY DISTRICT

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7215.001. DEFINITION. Defines "district" in this chapter.

##### SUBCHAPTER B. BONDS

Sec. 7215.051. AUTHORITY TO ISSUE BONDS. (a) Provides that the Marilee Special Utility District (district) has the rights, powers, duties, and obligations of an issuer under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

(b) 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 the district.

SECTION 2. 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 3. Effective date: September 1, 2013.