

BILL ANALYSIS

Senate Research Center
85R11516 SLB-F

S.B. 2285
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4/28/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2285 excludes 138.3 acres of land from Harris County Fresh Water Supply District (FWSD) No. 58 by legislative action. The 138.3 acre tract is currently undeveloped, and development is not feasible without a district to finance water, sewer, and drainage infrastructure necessary to serve the tract. Harris County FWSD 58 currently has a tax rate of \$0.6050, which is not sufficient to finance even a small portion of the cost of the necessary infrastructure to serve this tract.

Harris County FWSD No. 58 is currently not receiving any water or sewer revenue from the tract and only a small amount of ad valorem tax revenue (approximately \$9,094 annually) from the tract.

The exclusion of land will not diminish nor impair the rights of the holders of any outstanding indebtedness of the district as the bill provides that Harris County FWSD No. 58 shall continue to levy taxes on the excluded 138.3 acre tract as the tract will be required to pay its pro rata share of the outstanding indebtedness of the district until paid in full.

As proposed, S.B. 2285 amends current law relating to the boundaries of the Harris County Fresh Water Supply District No. 58.

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. DEFINITION. Defines "district" as the Harris County Fresh Water Supply District No. 58.

SECTION 2. EXCLUSION OF TERRITORY. Adjusts the boundaries of the district to exclude a certain parcel of land.

SECTION 3. RIGHTS OF BONDHOLDERS. Provides that the exclusion of property under this Act does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other certificates of indebtedness of the district.

SECTION 4. APPORTIONMENT OF DISTRICT INDEBTEDNESS. (a) Provides that the excluded property is not released from the payment of its pro rata share of the district's indebtedness.

(b) Requires the district to continue to levy taxes each year on the property excluded from the district at a certain rate. Requires that the taxes collected be applied exclusively to the payment of the excluded property's pro rata share of indebtedness.

(c) Authorizes the owner of any part of the excluded property at any time to pay in full the owner's share of the pro rata share of the indebtedness of the district.

SECTION 5. NOTICE. 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 6. EFFECTIVE DATE. Effective date: upon passage or September 1, 2017.