

By: Murphy, Israel

H.B. No. 1410

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of bonds by certain conservation and reclamation districts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 49.4645, Water Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) A district all or part of which is located in Bastrop County, Bexar County, Waller County, Travis County, Williamson County, Harris County, Galveston County, Brazoria County, Montgomery County, or Fort Bend County may issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities only if the bonds are authorized by a majority vote of the voters of the district voting in an election held for that purpose. Except as provided by Subsection (a-1), the [The] outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities supported by ad valorem taxes may not exceed an amount equal to one percent of the value of the taxable property in the district [~~or, if supported by contract taxes under Section 49.108, may not exceed an amount equal to one percent of the value of the taxable property in the districts making payments under the contract~~] as shown by the tax rolls of the central appraisal district at the time of the issuance of the bonds, notes, and other obligations [~~or an amount~~

1 ~~greater than the estimated cost provided in the park plan under~~
2 ~~Subsection (b), whichever is smaller]~~. To establish the value of
3 the taxable property in a district under this section, the district
4 may use an estimate of the value provided by the central appraisal
5 district. The district may not issue bonds supported by ad valorem
6 taxes to pay for the development and maintenance of:

- 7 (1) indoor or outdoor swimming pools; or
- 8 (2) golf courses.

9 (a-1) The outstanding principal amount of bonds, notes, and
10 other obligations issued to finance a recreational facility under
11 Subsection (a) may exceed one percent of the value of the taxable
12 property in the district if the district has:

- 13 (1) a ratio of debt to certified assessed valuation of
14 10 percent or less;
- 15 (2) a credit rating that conforms to commission rules;
- 16 (3) a credit enhanced rating on the district's
17 proposed bond issue that conforms to commission rules; or
- 18 (4) a contract with a political subdivision or an
19 entity acting on behalf of a political subdivision under which the
20 political subdivision or the entity agrees to provide to the
21 district taxes or other revenues, as consideration for the
22 district's development or acquisition of the facility, including a
23 contract under Section 49.108.

24 SECTION 2. Section 54.016(e), Water Code, is amended to
25 read as follows:

26 (e) A city may provide in its written consent to the
27 inclusion of land in a district, that the district construct all

1 facilities to serve the land in accordance with plans and
2 specifications which have been approved by the city. The city may
3 also provide in its written consent that the city shall have the
4 right to inspect all facilities being constructed by a district.
5 The city's consent to the inclusion of land in the district may also
6 contain restrictions on the terms and provisions of the district's
7 bonds and notes issued to provide service to the land and conditions
8 on the sale of the district's bonds and notes if the restrictions
9 and conditions do not generally render the bonds and notes of
10 districts in the city's extraterritorial jurisdiction
11 unmarketable. The city's consent to the inclusion of land in a
12 district may restrict the purposes for which a district may issue
13 bonds to [the] purposes authorized by law for the district ~~[of the~~
14 ~~purchase, construction, acquisition, repair, extension and~~
15 ~~improvement of land, easements, works, improvements, facilities,~~
16 ~~plants, equipment and appliances necessary to:~~

17 ~~[(1) provide a water supply for municipal uses,~~
18 ~~domestic uses and commercial purposes;~~

19 ~~[(2) collect, transport, process, dispose of and~~
20 ~~control all domestic, industrial or communal wastes whether in~~
21 ~~fluid, solid or composite state; and~~

22 ~~[(3) gather, conduct, divert and control local storm~~
23 ~~water or other local harmful excesses of water in the district and~~
24 ~~the payment of organization expenses, operation expenses during~~
25 ~~construction and interest during construction].~~

26 SECTION 3. The change in law made by this Act to Section
27 [54.016\(e\)](#), Water Code, does not affect the terms of a city's

1 resolution or ordinance adopted before the effective date of this
2 Act that constitutes a written consent under Section 54.016 of that
3 code.

4 SECTION 4. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2021.