

BILL ANALYSIS

C.S.H.B. 1541
By: Callegari
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Constitution provides for the establishment of various general law water districts. The Water Code governs such districts. Amendment of the Water Code facilitates more efficient operation of these districts. C.S.H.B. 1541 amends Chapter 43 (provisions applicable to all districts), Chapter 54 (municipal utility districts), Chapter 51 (water control and improvement districts) and Chapter 57 (levee improvement districts).

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Exempts water districts from certain energy efficiency standards under certain conditions.

SECTION 2. Authorizes municipalities to contract with a water district for a term of unlimited duration.

SECTION 3. Authorizes a water district's board to not hold an election if a candidate is running unopposed. Requires the district to post notice if an election will not be held. Authorizes the board to declare an unopposed candidate elected to office.

SECTION 4. Clarifies that the engineer's report on the facilities proposed to be constructed and financed by a water district is not part of the proposition voted on at a bond election.

SECTION 5. Clarifies that a water district may issue non-negotiable, as well as negotiable, revenue notes.

SECTION 6. Provides that the Texas Commission on Environmental Quality (TCEQ) has the authority to review and approve water district refunding bonds if the TCEQ approved the issuance of the bonds or notes that originally financed a project.

SECTION 7. Authorizes a district's board to electronically submit audits, affidavits, and financial reports to TCEQ's executive director.

SECTION 8.

(a) Provides that the board of directors of a water district may impose restrictions on the development and use of surplus property in connection with the sale of such surplus property.

(c) Provides that a publication notice is not required for a private sale of surplus district property.

(d) Provides that the proceeds of the sale of surplus district property may be treated as surplus bond proceeds and utilized in accordance with the rules of the TCEQ.

SECTION 9. Exempts landowners that have on-site wastewater systems implemented before the

district's adoption of a rule requiring connections to the district's wastewater collection system.

SECTION 10. Authorizes districts to include economic incentives for the early completion of the work in construction contracts.

SECTION 11. Provides an exemption from the competitive bidding process for security or surveillance systems if the board of directors determines that following the competitive bidding process would compromise the safety and security of district facilities or residents.

SECTION 12. Provides an exemption from the competitive bidding process for contracts for the purchase of electricity for use by a district.

SECTION 13.

(a) Authorizes a district to exclude property from its boundaries if the district has no outstanding bonds payable in whole or in part from taxes.

(b) Authorizes the board of directors, on its own motion, to call a hearing on the question of an exclusion of property from the district if the district has no outstanding bonds payable in whole or in part from taxes.

(c) Authorizes the board of directors, on receipt of a petition of landowners, to call a hearing on the question of an exclusion of property from the district if the district has no outstanding bonds payable in whole or in part from taxes.

(d) Deletes an unnecessary reference to "this subchapter."

SECTION 14. Clarifies that all hearings on the question of an exclusion of property from the district are called at the discretion of the board of directors.

SECTION 15. Substitutes the term "fire-fighting services" for the term "fire-fighting activities," in conformance with other sections of Chapter 49.

SECTION 16. Deletes an unnecessary effective date provision. Requires that information forms relating to the creation of a district be filed with the county clerk within 48 hours of the district's creation.

SECTION 17. Authorizes water control and improvement districts to provide for water reuse and recycling.

SECTION 18. Provides that a municipal utility district that operates a water supply and distribution system may by rule prohibit the installation of private on-site water wells. Grandfathers existing private water wells. Clarifies that a water district is not required to adopt a plumbing code, but may do so in its discretion.

SECTION 19. Authorizes a MUD to petition the TCEQ Commission to acquire powers of road utility districts. Removes language and references requiring approval by the Texas Transportation Commission.

SECTION 20. Clarifies that a district may pledge any available funds or revenues to the repayment of bonds.

SECTION 21. Clarifies that a MUD may issue bonds without an election.

SECTION 22. Authorizes a municipal utility district to substitute land of equal value, but not necessarily of equal acreage, without invalidation of any prior bond election if the increase in taxable value of the included land over the taxable value of the excluded land can finance the increase, if any, in estimated costs to provide the included land with facilities and services.

SECTION 23. Provides that the notice of the hearing for the creation of a levee improvement district need only be posted at one place, instead of four places, inside the proposed district.

SECTION 24. Authorizes a levee district to engage in activities for the purpose of land reclamation. Removes language requiring the district to fulfill the requirements of reclamation plan.

SECTION 25. Deletes reference to reclamation plan. Authorizes construction of improvements to accomplish district's purposes.

SECTION 26. Deletes references to a plan of reclamation for levee improvement districts.

SECTION 27. Specifies engineer's report as a construction report.

SECTION 28. Deletes references to a plan of reclamation for levee improvement districts.

SECTION 29. Deletes reference to plan of reclamation for levee improvement districts. Replaces reference to plan with contract.

SECTION 30. Deletes reference to plan of reclamation for levee improvement districts. Replaces reference to plan with contract.

SECTIONS 31 through 44. Deletes references to a plan of reclamation for levee improvement districts.

SECTION 45. Clarifies that a water supply corporation may issue bonds secured by contract payments from a political subdivision of the State of Texas.

SECTION 46. REPEALERS

§54.0163(e) Exempts a district located in the extraterritorial jurisdiction of a municipality with territory in three or more counties from selecting a municipal body that may exercise authority within the district as a whole

§54.508 Form of Ballots, regulates how MUD ballots are to be listed.

§57.094 Protesting Decision of Commission, stipulates how a person may file a petition against a levee improvement district's commission's decision.

§57.108(a) Conditions of Contract, requires all levee improvement district improvement contracts be authorized by the plan of reclamation.

§57.154(b) Survey and Report, requires duplicate of engineer's report to be filed with levee commission.

§57.156 Plan of Reclamation, identifies actions regarding plan of reclamation.

§402.908, Local Government Code.

Subchapter C, Chapter 441, Transportation Code, Road Utility Districts, Acquisition of District Powers by Conservation and Utility District.

EFFECTIVE DATE

September 1, 2003

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 1541 changes language in SECTION 1 in relation to exemptions by specifying that to qualify it

must be a district as defined by Section 36.001 or 49.001, Water Code, that had a total annual electricity expense of less than \$200,000 in the previous fiscal year of the district.

The substitute adds language in SECTION 6 relating to refunding bonds. The committee substitute also adds a new SECTION 7, relating to submissions to the executive director electronically. C.S.H.B. 1541 also deletes SECTIONS 16, 17, and 18. In SECTION 18, water supply corporations have been removed from the language and subsection (b) added relating to payment to landowners after prohibiting certain on-site facilities. The committee substitute also repeals §54.0163(e), Water Code, and §402.908, Local Government Code.