

BILL ANALYSIS

H.B. 2533
By: Brown, Betty
County Affairs
Committee Report (Amended)

BACKGROUND AND PURPOSE

Special law districts have long been used to provide water and utilities to developments in unincorporated areas. HB 2533 would create an special law district in Henderson County, adjacent to Cedar Creek Lake.

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

General Summary:

This Act would create a special law water district in Henderson County, Texas adjacent to Cedar Creek Lake and near the Town of Malakoff. The 549.0 acres of land in this district would not be within the limits or extraterritorial jurisdiction of any city, town, or village. The creation of this district is authorized by (a) Article XVI, Section 59 and (b) Articles 52 and 52 a, both of the Texas Constitution

Section By Section Summary:

1. Creates and names the district; provides that the district is a governmental entity for the purposes of the Texas Tort Claims Act.
2. Provides definitions.
3. Defines boundaries.
4. Finds that the boundaries form a closure and that certain mistakes in the definition of the boundaries would not affect certain actions of the district.
5. Specifies certain legislative declarations and findings.
6. Provides that the Act shall be liberally construed.
7. Specifies general powers and duties pertaining to conservation and reclamation districts, road districts and road utility districts, municipal management districts, a development corporation, and any created nonprofit corporation; and provides for conflicts.
8. Provides for governance by a 5-member board of directors who serve 4-year terms. The initial board members are named. Beginning in February 2008 the directors are elected to staggered terms by the district's voters; specifies the qualifications to serve as a director other than as to the initially-named directors.
9. Provides that remaining board members can fill a vacancy.
10. Provides for oaths and bonds (\$10,000 each) for directors.
11. Specifies director officers: chair, vice chair, and secretary.
12. Provides that directors do not receive compensation but may be reimbursed for actual expenses.
13. Defines a quorum as 3 directors.

14. Requires a confirmation election.
15. Enables the district to provide water-related, road-related, and development-related improvement project associated with the conservation of natural resources.
16. Subject to required approvals authorizes the district to impose ad valorem taxes, assessment, and impact fees; authorizes the borrowing of money and contracts; and authorizes the abatement agreements.
17. Authorizes the district to adopt certain rules.
18. Specifies the procedure for adding or removing land to or from the district.
19. Invests the district with the power of eminent domain for all public purposes.
20. Authorizes the district to create nonprofit corporations to assist in implementing improvement projects or providing services.
21. Authorizes the district to create economic development programs under certain procedures.
22. Authorizes the board to employ
 - (a) an executive director or general manager and
 - (b) other employees; and to establish terms of employment and compensation.
23. Authorizes the board to regulate the private use of public property; and provides for conflicts.
24. Authorizes Henderson County to exercise certain zoning powers in the district if requested.
25. Provides for impact fees and assessments on certain property (excluding that of a public utility provider) for certain purposes.
26. Provides for an operation and maintenance tax subject to an election.
27. Provides for a tax levy for bonds, the manner of issuing bonds, and the expenditure of bond funds; and requires an election for the issuance of tax-supported bonds.
28. Provides for a limited sales tax subject to voter approval.
29. Provides for a hotel occupancy tax.
30. Governs the use of the hotel occupancy tax.
31. Authorizes the district to issue bonds in the manner authorized for municipal management districts except that commission approval is not required.
32. Provides for the dissolution of the district.
33. Finds that the required Constitutional notices have been given.
34. Specifies that the Act takes effect on February 15, 2004.

EFFECTIVE DATE

This Act takes effect February 15, 2004.

EXPLANATION OF AMENDMENTS

The committee amendment 1 amends SECTION 19 of HB 2533 to limit the districts power of eminent domain outside its borders to include only certain purposes.

The committee amendment 2 revises clause (3) of Section 7(a), clause (1) of Section 16(a), subsection b of Section 27, and adds new subsection (d) to Section 25 to HB 2533.

The committee amendment 3 strikes the words “telecommunications and cable services to residents and businesses in the district on page 12, lines 1 and 2.