

## **BILL ANALYSIS**

C.S.H.B. 3610  
By: Callegari  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Current Texas law provides for the creation of conservation and reclamation districts which are authorized to incur indebtedness to provide permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness. As proposed, C.S.H.B. 3610 creates a conservation and reclamation district to be known as the Williamson County Municipal Utility District No. 15 of Williamson County, Texas. The land to be located within the district will be developed into a single family residential development and therefore, water, sewer, and drainage services need to be secured. It is necessary to create the municipal utility district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. C.S.H.B. 3610 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district.

### **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. DEFINITION. Defines "board" and "district."

SECTION 2. CREATION. Creates a conservation and reclamation district, to be known as Williamson County Municipal Utility District No. 15 of Williamson County, Texas, subject to approval at a confirmation election under Section 9 of this Act. Provides that the district is a governmental agency and a body politic and corporate. Provides that the district is created under, and is essential to accomplish the purposes, of Article XVI, Section 59, of the Texas Constitution.

SECTION 3. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Creates the district to serve a public use and benefit. Provides that all of the land and other property included within the boundaries of the district will be benefitted by the works and projects that are to be accomplished by the district under powers conferred by Article XVI, Section 59, of the Texas Constitution.

SECTION 4. BOUNDARIES. Provides that the district includes the territory contained within a certain area.

SECTION 5. FINDINGS RELATING TO BOUNDARIES. Provides that the legislature finds that the boundaries and field notes of the district form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect the organization, existence, or validity of the district, the validity of its bonds, notes, or indebtedness, the right of the district to levy and collect taxes, or the legality or operation of the district or its governing body.

SECTION 6. APPLICABILITY OF OTHER LAW. This Act prevails over any provision of general law

that is in conflict with this Act.

SECTION 7. BOARD OF DIRECTORS. Provides that the district is governed by a board of five directors.

SECTION 8. APPOINTMENT OF TEMPORARY DIRECTORS. Appoints the five temporary directors.

SECTION 9. CONFIRMATION AND INITIAL DIRECTORS ELECTION. Requires the temporary board of directors to call and hold an election to confirm establishment of the district and to elect five permanent directors as provided by Section 49.102, Water Code. Provides that Section 41.001(a) of the Election Code does not apply to a confirmation and director's election held as provided by this section.

SECTION 10. ELECTION OF DIRECTORS. Sets forth requirements regarding the election of permanent directors.

SECTION 11. GENERAL POWERS. Provides that the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 30, 49, 50 and 54, Water Code, applicable to municipal utility districts created under Article XVI, Section 59, of the Texas Constitution. Provides that the rights, powers, privileges, authority, functions, and duties of the district are subject to the continuing right of supervision of the state to be exercised by and through the Texas Commission on Environmental Quality (TCEQ).

SECTION 12. ANNEXATION. Provides that the board may annex land as provided by Chapter 49 or Chapter 54, Water Code.

SECTION 13. DIVISION OF DISTRICT. Allows the board, before issuing indebtedness secured by taxes or net revenues, to divide the territory of the district, including any annexed territory, into two or more new districts provided that any new district created by division of the district must be at least 100 acres in size.

SECTION 14. ELECTION FOR DIVISION OF DISTRICT. Requires the board to order an election to be held in the district to determine if the district should be divided as proposed and to give notice of the election in the manner provided by Section 49.102, Water Code. Requires the district to provide written notice of the plan for division to the Texas Commission on Environmental Quality, the attorney general, the commissioners court of each county in which each new district is located, and any municipality having extraterritorial jurisdiction over the land within each new district.

SECTION 15. GOVERNANCE OF DISTRICTS AFTER DIVISION. Provides that any new districts created shall be assigned consecutive letters, corresponding to the number of the new district and shall be separate districts and shall be governed as separate districts.

SECTION 16. ELECTION OF DIRECTORS OF NEW DISTRICT. Provides that after an election approving the division of the district, the directors of the board shall continue to act as directors of one of the new districts; and shall appoint temporary directors for each of the other new districts. Provides that temporary directors shall serve until an election for permanent directors is held on the next uniform election date under Section 41.001(a), Election Code. The temporary directors of each new district must qualify under Section 49.055, Water Code. Upon election of permanent directors, the three directors receiving the greatest number of votes shall serve until May of the first even-numbered year that is four years after the date of the election and two directors shall serve until May of the first even-numbered year that is two years after the date of the election.

SECTION 17. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. Provides that each new district shall have the full power and authority of the district created and governed by this Act. Any obligations and any bond authorizations of the district are not impaired and shall be paid by taxes,

revenues, or assessments levied on the land in the district as if the district had not been divided or by contributions from each new district. Other obligations of the district shall be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

SECTION 18. CONTRACT AUTHORITY OF NEW DISTRICTS. Provides that the new districts may contract with each other for water, wastewater, and any other matters the board of each new district considers appropriate.

SECTION 19. BOND ISSUANCE BY NEW DISTRICT. Provides that a new district may issue bonds payable from ad valorem taxes on the approval of a majority of the residents voting in an election called and held for that purpose. Notice of the bond election shall be given as provided by Section 49.106, Water Code.

SECTION 20. MAINTENANCE TAX APPROVAL FOR NEW DISTRICT. Provides that a new district may levy a maintenance tax on the approval of a majority of the residents voting in an election called and held for that purpose.

SECTION 21. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. Provides that the proper and legal notice setting forth the substance of this Act has been published as provided by law. Provides that a notice of a copy of this Act has been furnished to the required persons, agencies, officials, or entities according to the constitution and other laws of this state. Provides that the TCEQ has filed its recommendations relating to this Act with the governor, lieutenant governor, and the speaker of the house of representatives within the required time. 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 22. EFFECTIVE DATE; EXPIRATION DATE. Effective Date is September 1, 2003. Expiration date is September 1, 2007, if the district is not confirmed under Section 9.

#### **EFFECTIVE DATE**

September 1, 2003

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The committee substitute changes the MUD district number from 14 to 15.