

## **BILL ANALYSIS**

Senate Research Center

S.B. 624  
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Natural Resources  
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Enrolled

### **DIGEST AND PURPOSE**

Currently, the Texas Constitution prevents the use of water district tax receipts for the development of parks and recreational facilities. Consequently, districts are limited in their ability to pay for the construction of facilities. S.B. 624 requires voter approval before tax-backed bonds may be issued for the development of recreational facilities.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Commission on Environmental Quality in SECTION 7 (Section 49.466, Water Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 49.001(a)(10), Water Code, to redefine "district facility."

SECTION 2. Amends Section 49.107, Water Code, by adding Subsection (h), to prohibit an operation and maintenance tax to be used for recreational facilities, as defined by Section 49.462, levied by a district located in a county with a population of more than 3.3 million or in a county adjacent to that county from exceeding 10 cents per \$100 of assessed valuation of taxable property in the district, to the extent authorized by Section 59, Article XVI, Texas Constitution.

SECTION 3. Amends Section 49.461(a), Water Code, to delete text regarding certain legislative findings.

SECTION 4. Amends Section 49.463, Water Code, as follows:

Sec. 49.463. AUTHORIZATION OF RECREATIONAL FACILITIES. Provides that a district is created for the purpose of financing recreational facilities for the people in the district, in addition to developing and maintaining such facilities and the other purposes for which a district is created. Makes a nonsubstantive change.

SECTION 5. Amends Section 49.464, Water Code, by amending Subsections (a) and (d), as follows:

(a) Provides that Section 49.4645 is an exception to prohibiting a district from issuing bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities.

(d) Authorizes a district to issue bonds payable solely from revenues by resolution or order of the governing body of a district board (board) without an election.

SECTION 6. Amends Subchapter N, Chapter 49, Water Code, by adding Section 49.4645, as follows:

Section 49.4645. DISTRICT IN CERTAIN COUNTIES: BONDS FOR RECREATIONAL FACILITIES. (a) Authorizes 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, or Fort Bend County to 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 qualified voters of the district voting in an election held for that purpose. Prohibits the outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities payable from any source from exceeding an amount equal to one percent of the value of the taxable property in the district 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 greater than the estimated cost provided in the park plan under Subsection (b), whichever is smaller. Prohibits the district from issuing bonds supported by ad valorem taxes to pay for the development and maintenance of indoor or outdoor swimming pools or golf courses.

(b) Requires the board, not later than the 10th day before an election is held to authorize the issuance of bonds for the development and maintenance of recreational facilities, to file in the district office for review by the public a park plan covering the land, improvements, facilities, and equipment to be purchased or constructed and their estimated cost, together with maps, plats, drawings, and data fully showing and explaining the park plan. Provides that the park plan is not part of the proposition to be voted on, and the park plan does not create a contract with the voters.

(c) Requires the notice of the bond election for the development and maintenance of recreational facilities to contain the proposition to be voted on, which must include the estimate of the probable cost of design, construction, purchase, acquisition, and maintenance of improvements and additions and incidental expenses connected with the improvements and the issuance of bonds.

(d) Authorizes a bond election for the development and maintenance of recreational facilities to be held on the same day as another district election. Authorizes the board to call a bond election by a separate election order or as part of another election order. Authorizes the board to submit multiple purposes in a single proposition at an election.

(e) Authorizes the board to call a bond election for the development and maintenance of recreational facilities as a result of an agreement to annex additional territory into the district.

SECTION 7. Amends Subchapter N, Chapter 49, by adding Section 49.466, Water Code, as follows

Section 49.466. COMMISSION RULES. (a) Requires the Texas Commission on Environmental Quality (TCEQ) to adopt rules regarding the provision and financing of recreational facility funded through the issuance of bonds supported by ad valorem taxes.

(b) Requires TCEQ rules to emphasize the primary goal of financing water, sewer, and drainage facilities to serve the district; emphasize and encourage the secondary goal of financing recreational facilities; and encourage the conveyance of land to be used for recreational facilities.

SECTION 8 Repealer: Section 49.461(b), Water Code (regarding policy and purpose).

Repealer: Subchapter (I), Chapter 54, Water Code (Recreational Facilities).

SECTION 9. Provides that this Act takes effect on the date on which the constitutional amendment proposed by the 78th legislature, Regular Session, 2003, relating to the provision of

parcs and recreational facilities by certain conservation and reclamation districts is approved by the voters. Provides that if that amendment is not approved by the voters, this Act has no effect.