

BILL ANALYSIS

S.B. 624
By: Lindsay
State Cultural and Recreational Resources
Committee Report (Amended)

BACKGROUND 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

It is the committee's opinion that 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) as follows:

(h) Requires that an operation and maintenance tax for recreational facilities may be levied only by districts in Travis, Harris, Galveston, Brazoria, Fort Bend, or Montgomery County. Requires that the tax rate used not exceed 10 cents per \$100 of assessed valuation.

SECTION 3. Amends Section 49.461(a), Water Code, to delete text referencing the legislature's authority. Makes nonsubstantive changes.

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(a), Water Code, to except certain districts from the prohibition to issue bonds supported by ad valorem taxes to pay for the development and maintenance of recreational facilities.

SECTION 6. Amends Section 49.4645, Water Code, by adding Subsections (a)-(e) as follows:

(a) Authorizes a district located in Travis, Harris, Galveston, Brazoria, Fort Bend, or Montgomery 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 of votes held in the district, for that purpose. Requires outstanding principal amount of bonds, notes, and other obligations issued to finance parks and recreational facilities payable from any source, may not exceed 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, whichever is smaller. Authorizes a district's board to issue bonds payable solely from revenues by resolution or by order of the board without an election. Prohibits a 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 governing body of a district (board), by the 10th day prior to an election 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, 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 a bond election for the development and maintenance of recreational facilities to contain the proposition to be voted on, including the estimate of the probable cost of design, construction, purchase, acquisition, 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 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 Chapter 49, Water Code, by adding Section 49.466, 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. Repealers.

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

Repealer: Chapter 54(I), Water Code (regarding 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 parks 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.

EFFECTIVE DATE

Effective on November 4, 2003, if the constitutional amendment proposed by the 78th Legislature, Regular Session 2003, relating to the provision of parks and recreational facilities by certain conservation and reclamation districts is approved by the voters.

EXPLANATION OF AMENDMENTS

Adds Williamson County to the list of counties with districts authorized to issue the bonds.