

BILL ANALYSIS

C.S.H.B. 2079
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Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, Stephens County Rural Water Supply Corporation ("SCRWSC") provides water service within the unincorporated area of Stephens and neighboring areas including Eastland, Palo Pinto, Shackelford, and Throckmorton Counties. SCRWSC is a non-profit water supply corporation governed by a seven member board of directors elected by members of the corporation.

The area currently served by SCRWSC is more particularly defined in Certificate of Necessity No. 11456. SCRWSC is interested in converting to a special utility district so that it may have the advantages of being a political subdivision of the state, including liability protections, ability to issue tax-exempt bonds for financing, and better insurance rates.

C.S.H.B. 2079 creates and establishes the Stephens Regional Special Utility District, in which the SCRWSC is dissolved.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. C.S.H.B. 2079 establishes the Stephens Regional Special Utility District (the district) as a governmental agency in which Stephens, Eastland, Palo Pinto, Shackelford, and Throckmorton counties make up this district and meets the purposes as laid out in Section 59, Article XVI, Texas Constitution.

The committee substitute requires a confirmation election and provides that the district is dissolved, with certain exceptions, on September 1, 2007, if the district is not confirmed by that date. C.S.H.B. 2079 provides that Chapters 49 and 65 of the Water Code apply to the district.

The boundaries and field notes contained in the bill form a closure and a mistake made in the notes does not affect the district's operations. C.S.H.B. 2079 establishes the temporary directors and their qualifications.

The committee substitute also allows the temporary board of directors to call and hold an election which will determine the term of each initial board of directors. Upon election, SCRWSC shall transfer all assets, debts, rights and obligations to the district and discontinue all proceedings of SCRWSC. On dissolution of the SCRWSC, Certificate of Convenience and Necessity No. 11456 is considered to be held by the district.

C.S.H.B. 2079 establishes the board of directors that govern the district which is not less than five and not more than eleven, with seven initial directors upon creation. The initial directors shall serve until permanent directors are elected.

The committee substitute also establishes that the district has all the rights, powers, privileges, authority, functions and duties provided by the general laws of this state, including Chapter 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

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C.S.H.B. 2079 provides that the district may charge a water service impact fee subject to certain conditions.

SECTION 2. Establishes the boundaries of the district.

SECTION 3. Establishes that legal notices to all persons, agencies, officials, or entities have been made and all requirements of law have been met.

SECTION 4. Sets forth the effective date of the Act.

EFFECTIVE DATE

On passage, if the Act receives the necessary vote; otherwise, September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2079 reorganizes the sections and makes a few technical changes outlined below.

SECTION 1. DEFINITION.

NATURE OF DISTRICT.

CONFIRMATION ELECTION REQUIRED. Adds language stating that if the district is not confirmed by September 1, 2007, it is dissolved except that any debts incurred by the district shall be paid; any assets of the district that remain after the payment of debts shall be transferred to Stephens, Eastland, Palo Pinto, Shackelford, or Throckmorton County as appropriate and the organization of the district shall be maintained until all debts are paid and remaining assets are transferred.

APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW.

INITIAL DISTRICT TERRITORY.

TEMPORARY DIRECTORS.

CONFIRMATION AND INITIAL DIRECTORS' ELECTION.

EXPIRATION OF SUBCHAPTER. Adds language stating that the temporary Subchapter A-1 expires September 1, 2010.

BOARD OF DIRECTORS.

GENERAL POWERS.

WATER SERVICE IMPACT FEE.

SECTION 2. Establishes Boundaries of the district.

SECTION 3. Statement that all notice requirements have been met.

SECTION 4. Effective date.