

## **BILL ANALYSIS**

Senate Research Center

H.B. 3498  
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Intergovernmental Relations  
5/20/2005  
Engrossed

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, the Rose Hill Water Supply Corporation (ARHWSC@) provides water service within a portion of Kaufman County (generally in between the City of Terrell and the City of Kaufman). RHWSC is governed by a five member Board of Directors elected by members of the corporation.

The area served by RHWSC is more particularly defined in Certificate of Necessity No. 10849. RHWSC 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.

H.B. 3498 creates and establishes the Rose Hill Special Utility District, and dissolves the RHWSC.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle C, Title 4, Special District Local Laws, by adding Chapter 7204, as follows:

#### **CHAPTER 7204. ROSE HILL SPECIAL UTILITY DISTRICT**

Sets forth standard language for the creation of the Rose Hill Special Utility District (district) in Kaufman County. Sets forth standards, procedures, requirements and criteria for:

Creation, approval, purpose, inclusion of special zones, applicability of other law. (Sections 7204.001-7204.005);

Size composition, election, qualifications, procedures, and terms of the board of directors of the district (Sections 7204.021-7204.051);

Powers and duties of the district (Sections 7204.101-7204.110); and

General finance provisions and authority to issue bonds and obligations for the district (Sections 7204.151-7204.201).

Limits the exercise of eminent domain of the district to acquire by condemnation of land, an easement or other certain property located inside or outside the boundaries of the district for certain purpose. Prohibits the district from exercising the power of eminent domain under certain circumstance.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the 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 4. Effective date: upon passage or September 1, 2005.