

BILL ANALYSIS

C.S.H.B. 3504
By: Eiland
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Committee Substitute House Bill No. 3504 (C.S.H.B. 3504) creates Galveston County Municipal Utility District No. 54 (the District). Currently, the land located within the boundaries of the proposed District is undeveloped. The territory of the District would lie within the City of Texas City and Galveston County. The District would have all of the powers granted to municipal utility districts in Chapter 49 and 54, Water Code and road utility districts in Chapter 441, Transportation Code, and would be able to issue bonds to finance projects for a tax increment reinvestment zone.

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. Amends Subchapter F, Title 6, Special District Local Laws Code, by adding Chapter 8147, as follows:

CHAPTER 8147. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 54

Subchapter A. General Provisions

Sec. 8147.001. DEFINITIONS. Defines Board, City, Director, and District.

Sec. 8147.002. NATURE OF DISTRICT. Provides that the District is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8147.003. CONFIRMATION ELECTION REQUIRED. Requires the Board to hold an election to confirm the creation of the District as provided by Section 49.102, Water Code.

Sec. 8147.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides that all land and other property included in the District will benefit from the improvements and services to be provided by the District. Provides that the District is created for the same purposes as a municipal utility district and to exercise certain road powers.

Sec. 8147.005. INITIAL DISTRICT TERRITORY. Provides that the District is initially composed of territory described by Section 2 of the Act creating this chapter and finds that a mistake in the field notes does not affect the District's validity or powers.

Subchapter B. Board of Directors

Sec. 8147.051. BOARD OF DIRECTORS; TERMS. Sets forth the number and terms of directors of the Board.

Sec. 8147.052. ELECTION OF DIRECTORS. Requires that the appropriate number of directors be elected on the uniform election date in May of each even-numbered year.

Sec. 8147.053. INITIAL DIRECTORS. Provides the names of the initial directors of the Board for the District and sets forth guidelines for the expiration of the terms of the initial directors.

Subchapter C. General Powers and Duties

Sec. 8147.101. GENERAL POWERS AND DUTIES. Provides that the District has the powers and duties necessary to accomplish the purposes for which the District is created.

Sec. 8147.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the District has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8147.103. ROAD PROJECTS. Authorizes the District to construct, acquire, improve, maintain or operate macadamized, graveled, or paved roads or turnpikes in the District. Requires road projects to meet applicable construction standards, zoning and subdivision requirements, and regulatory ordinances. Requires the District to obtain the consent of the municipality in whose jurisdiction the District is located prior to undertaking any road project.

Sec. 8147.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Requires the District to comply with the applicable requirements of any ordinance or resolution adopted by the city council of the municipality that consents to the creation of the District or to the inclusion of lands within the District.

Section 8147.105. LIMITATION ON USE OF EMINENT DOMAIN. Authorizes the District to exercise the power of eminent domain outside the District only to acquire easements necessary for underground water and sewage and drainage facilities to serve the District.

Subchapter D. General Financial Provisions

Sec. 8147.151. ELECTIONS REGARDING TAXES OR BONDS. Sets forth the specific election requirements for bonds issued to finance road projects, and the maximum amount of such bonds.

Sec. 8147.152. AD VALOREM TAX. Authorizes the District to levy an ad valorem tax, if authorized at an election, and to determine the applicable tax rate.

Subchapter E. Bonds or Other Obligations

Sec. 8147.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Authorizes the District to issue bonds or other obligations to pay for authorized purposes of the District.

Sec. 8147.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. Requires the District to impose a direct annual ad valorem tax to pay for bonds or other obligations.

SECTION 2. Sets forth the geographical boundaries of the District.

SECTION 3. Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of the Act.

SECTION 4. Provides that the effective date of the Act will be upon passage or September 1, 2005.

EFFECTIVE DATE

Provides that the effective date of the Act will be upon passage or September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substantive changes to the Committee Substitute to House Bill No. 3504 (C.S.H.B. 3504) may be summarized as follows:

C.S.H.B. 3504 modifies the nature of the District by deleting certain references to Section 52 and 52-a, Article III, Texas Constitution and Section 1-g, Article VIII, Texas Constitution in Sections 8147.002 and 8147.004 of the chapter, respectively.

C.S.H.B. 3504 modifies the road powers that may be exercised by the District, including the requirements for issuing bonds to finance road projects and the scope of the Texas Commission on Environmental Quality's authority over the issuance of such bonds.

C.S.H.B. 3504 removes any tax increment reinvestment zone powers.

C.S.H.B. 3504 removes all purposes and powers of a municipal management district.

C.S.H.B. 3504 deletes provisions from House Bill No. 3504 requiring the liberal construction of the chapter, authorizing the District to issue bonds to pay all or part of the costs of a joint road project, authorizing the District to issue bonds payable from the revenue of certain contracts, and providing that Chapter 1471, Government Code, does not apply to the District.

C.S.H.B. 3504 adds provisions requiring the District to comply with municipal ordinances or resolutions and limiting the District's ability to exercise the power of eminent domain.