

BILL ANALYSIS

C.S.H.B. 3521
By: Taylor
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Galveston County Municipal Utility District No. 51 (“District”) encompasses an area of land inside the corporate limits of the City of Kemah, Texas. The land located within the District is single family residential and commercial development; therefore, road services need to be secured. It is necessary to empower the District under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds.

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. Adds Chapter 8130 to Subtitle F, Title 6, Special District Local Laws Code, as follows:

SUBCHAPTER A. GENERAL PROVISIONS.

SECTION 8130.001. DEFINITIONS. Defines “district.”

SECTION 8130.002. NATURE OF DISTRICT. Provides that the district, known as the Galveston County Municipal Utility District No. 51 (the “District”), exists in Galveston County. Provides that the district is essential to accomplish the purposes of Section 59, Art. XVI, Texas Constitution.

SECTION 8130.003. APPLICABILITY OF OTHER LAW. Provides that Chapters 49 and 54, Water Code, including Subchapter J, Chapter 54, Water Code, notwithstanding the limitation on authorization based on acreage under Section 54.801 of that code, and Section 52(b)(3) Article III, Texas Constitution, apply to the District except as provided by this Chapter.

SUBCHAPTER B. POWERS AND DUTIES.

SECTION 8130.051. ROAD PROJECTS. Provides that the District may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the District. Any road project must meet all applicable standards of the municipality or county in which it is located, and the district may not undertake a road project without consent of the municipality or county.

SECTION 8130.052 COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Provides that, subject to Section 54.016, Water Code, the district must comply with any ordinance or resolution adopted by the City of Kemah, including one adopted before September 1, 2005 that consents to creation or inclusion of lands within the district.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS.

SECTION 8130.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. Provides that the District may impose a tax to pay the principal of or interest on bonds issued under Section 8130.151.

SUBCHAPTER E. BONDS.

SECTION 8130.151. AUTHORITY TO ISSUE BONDS FOR ROAD PROJECTS. Provides that the District may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Section 8130.051. Provides that the District may not issue bonds secured by ad valorem taxes to finance projects authorized by Section 8130.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the District, or of the defined area to be benefited by the project, voting at an election called for that purpose. Provides that such bonds or other obligations issued or incurred to finance projects authorized by Section 8130.051 may not exceed one-fourth of the assessed value of the real property in the District, or defined area. Provides that Sections 49.181, 49.182, and 50.107, Water Code, do not apply to a project undertaken by the District under Section 8130.051 or to bonds issued by the District to finance the project.

SECTION 2. Provides that proper and legal notice setting forth the general substance of this Act has been published as provided by law. Provides that the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code. Provides that the Governor has submitted the notice and Act to the Texas Commission on Environmental Quality. Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the Governor, Lieutenant Governor, and Speaker of the House of Representatives within the required time. Provides that all requirements of the Constitution and laws of this State and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

EFFECTIVE DATE

CSHB 3521 takes effect on September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modified the original version of the bill by limiting the district's powers to undertake road projects and requiring the district to comply with municipal requirements.