

BILL ANALYSIS

C.S.H.B. 3525
By: King, Phil
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the Parker County Water Supply Corporation (“PCWSC”) provides water service principally within Parker County. PCWSC is governed by a seven member Board of Directors elected by members of the corporation.

The area served by PCWSC is more particularly defined in Certificate of Necessity No. 12313. PCWSC 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.

CSHB 3525 creates and establishes the Parker County Special Utility District, and dissolves the PCWSC.

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. DEFINITION. Defines “district” to mean Parker County Special Utility District.

NATURE OF DISTRICT. The district is a special utility district in Parker and Palo Pinto Counties created under Section 59, Article XVI, Texas Constitution.

CONFIRMATION ELECTION REQUIRED. If the creation of 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 Parker or Palo Pinto Counties 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. Chapters 49 and 65, Water Code apply to this district.

INITIAL DISTRICT TERRITORY. States that a mistake made in the field notes outlined in Section 2 of the bill will not effect the operation of the bill.

TEMPORARY DIRECTORS. Lists the temporary directors and sets forth provisions regarding qualifications for office.

CONFIRMATION AND INITIAL DIRECTORS’ ELECTION. The temporary directors shall hold an election to confirm the creation of the district and to elect the seven initial directors, whose terms will be set by the temporary directors.

TRANSFER OF ASSETS; DISSOLUTION. If the district is confirmed, PCWSC shall transfer all assets to the district and commence dissolution. Certificate of Convenience and Necessity No. 12313 shall be transferred to the district. The Texas Commission on Environmental Quality shall be informed of the changes.

BOARD OF DIRECTORS. The district is governed by a board of not fewer than five and not more than 11 directors. A member of the board of directors of the district serves a three-year term of office and may serve consecutive terms.

GENERAL POWERS. The district shall have all the powers provided by the laws of the state, including provisions applicable to a Special Utility District under Chapters 49 and 65, Water Code.

WATER SERVICE IMPACT FEE. The district may charge a water service impact fee that is equal to the sum of the equity buy-in fee and connection fee charged by the PCWSC on November 1, 2004, under the corporation's tariff. Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section. The district may increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by the Texas Commission on Environmental Quality.

EMINENT DOMAIN. The district has all the authority of a Special Utility District under Chapters 49 and 65, Water Code to acquire by condemnation any land inside or outside the district for a district purpose, except for sanitary sewer purposes.

SECTION 2. Provides the boundaries for the district.

SECTION 3. Legal notice to all persons, agencies, officials, or entities of the substance of this bill have been published or provided as required by law.

EFFECTIVE DATE

CSHB 3525 takes effect immediately if it receives a 2/3rds vote in both chambers, otherwise it takes effect Sept. 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute modified the original by providing that the district has all the powers of a Special Utility District under Chapters 49 and 65, Water Code and granting the power of eminent domain to the district.