

BILL ANALYSIS

C.S.H.B. 3559
By: Laubenberg
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

CSHB 3559 creates the Rockwall County Municipal Utility Districts Nos. 6, 7, 8, and 9, and enumerates their powers, duties, and obligations. These MUDs encompass approximately 1218 acres and are contained within the City of Fate. The bill combines the traditional powers and duties of a MUD governed by Chapters 49 and 54, Water Code, with powers of road districts granted in Chapter 53, Water Code.

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

This bill amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8136 to read as follows:

CHAPTER 8136. ROCKWALL COUNTY MUNICIPAL UTILITY DISTRICTS NOS. 6,7,8 and 9

Sec. 8136.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8136.002. NATURE OF DISTRICT. Provides that each district is municipal utility district in Rockwall County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8136.003 CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held before September 1, 2007, the district is dissolved September 1, 2007, except that any debts incurred shall be paid, any assets that remain after the payment of debts shall be transferred to Rockwall County, and the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and this chapter expires September 1, 2010.

Sec. 8136.004 INITIAL DISTRICT TERRITORY. Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that a mistake made in the field notes or in copying the field notes in the legislative process does not affect the organization, existence, or validity of the district; the right of the district to impose taxes; or the legality or operation of the board.

Sec. 8136.005 APPLICABILITY OF OTHER LAW. Provides that except as otherwise provided by this chapter, Chapters 49 and 54, Water Code, apply to the districts.

[Reserves Sections 8136.006-8136.020 for expansion]

Sec. 8136.021 TEMPORARY DIRECTORS. Specifies those persons who serve as directors on the temporary board. Specifies provisions for filling an empty seat among the temporary directors. Specifies the term length of the temporary directors.

Sec. 8136.022 ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. Provides that if a location cannot be agreed upon, the organizational meeting shall be at the Rockwall County Courthouse.

Sec. 8136.023 CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors.

Sec. 8136.024 INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected to draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 8136.025 EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8136.026-8136.050 for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8136.051 DIRECTORS; TERMS. Provides that each district is governed by a board of five directors serving staggered four-year terms.

Sec. 8136.052 ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even numbered year.

[Reserves Sections 8136.053-8136.100 for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8136.101. GENERAL POWERS. Provides that each district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to MUDs created under Section 59, Article XVI, Texas Constitution.

Sec. 8136.102 ROAD PROJECTS. Provides that to the extent authorized by Section 52, Article III, Texas Constitution, each district may construct, maintain, or operate paved roads or works, facilities, or improvements in aid of those roads, inside or outside the district.

Provides that a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements and regulatory ordinances of the municipality or extraterritorial jurisdiction in which it is located. If outside the extraterritorial jurisdiction then it must meet all county standards.

The district may not undertake a road project unless the municipality or county consents by ordinance or resolution

Sec. 8136.103 ADDING LAND BY PETITION OF LANDOWNER. Provides that each district may only add land to the district in the manner provided by Section 49.301, Water Code, if a landowner petitions for the addition of land that is adjacent to the boundaries of the district or separated from the district by public land or right-of-way.

Sec. 8136.104 EMINENT DOMAIN. Provides that each district may exercise the power of eminent domain within the boundaries of the district for all public purposes. Each district may exercise the power of eminent domain outside the boundaries of the district only for the purpose of constructing, acquiring, operating, repairing, or maintaining water supply lines or sanitary sewer lines. Each district shall exercise this power in the same manner as required for a county.

[Reserves Sections 8136.105-8136.150 for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8136.151. TAX TO REPAY BONDS. Authorizes each district to impose a tax to pay the principal of and interest on bonds issued under Section 8136.102

[Reserves Sections 8136.052-8136.200 for expansion]

SUBCHAPTER E. BONDS

Sec. 8136.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Authorizes each district to issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8136.101 and 8136.102. Prohibits a district from issuing bonds to finance road projects unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose. Bonds issued or incurred to finance road projects may not exceed one-fourth of the assessed value of the real property of the district. Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8136.102 or to bonds issued by the district to finance the project.

This bill sets forth the initial boundaries of the district.

This bill provides that all requirements of the constitution and laws of this state and rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

EFFECTIVE DATE

Immediate effective date if it receives a vote of two-thirds of the vote from both houses. If it does not receive the necessary vote then it takes effect on September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

Language was added to Subchapter C: Powers and Duties. This added language requires the district to meet the construction, zoning and subdivision requirements and regulatory ordinances of standards for road projects of the municipality or county in which the district is located. It also requires the district to get approval from the municipality or county in which it is located before undertaking a road project.