

BILL ANALYSIS

Senate Research Center
79R8390 SGA-F

H.B. 3566
By: Flores (Hinojosa)
Natural Resources
5/20/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the La Joya Water Supply Corporation supplies water and wastewater service to residents in the western part of Hidalgo County and the eastern part of Starr County. As a non-profit water supply corporation, there is little if any oversight of the business operating procedures and practices of non-profit water supply corporations by state agencies. The lack of institutional oversight and specific guidelines regarding the business practice of the La Joya Water Supply Corporation's operations has allowed for a lack in appropriate administrative and managerial proceedings governing its day-to-day activities.

By converting from a non-profit water supply corporation to a special utility district, the ratepayers of this water service utility would benefit from more extensive statutory authority. Furthermore, as a special utility district, the entity would enjoy lower interest rates for financing future improvement projects, and be able to participate in regional projects for water and sewer service. H.B. 3655 would allow the ratepayers currently being served by the La Joya Water Supply Corporation the opportunity to vote for conversion from a non-profit water utility into a special utility district, primarily to avail itself of the favorable and expanded opportunities for financing and tax exemption.

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 6, Special District Local Laws, by adding Chapter 7201, as follows:

CHAPTER 7201. LA JOYA SPECIAL UTILITY DISTRICT

Sets forth standard language for the creation of the La Joya Special Utility District (district) in Hidalgo and Starr Counties. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7201.001-7201.006);

Size, composition, election, and terms of the board of directors of the district (Sections 7201.021-7201.022 and 7201.051);

Dissolution of the La Joya Water Supply Corporation and transfer of assets to the district (Section 7201.023); and

Powers and duties of the district (Sections 7201.101-7201.102).

Does not authorize the exercise of the power of eminent domain.

SECTION 2. 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 3. Effective date: upon passage or September 1, 2005.