

## BILL ANALYSIS

Senate Research Center

S.B. 1807  
By: Jackson, Mike  
Intergovernmental Relations  
4/25/2005  
As Filed

### AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, Galveston County Municipal Utility District No. 52 (district) is in existence but has no mechanism to finance roads and major thoroughfares throughout the district. As proposed, S.B. 1807 grants the district the powers it needs to finance roads, major thoroughfares and other navigation projects.

### 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. DEFINITIONS. Defines "board," "commission," and district."

SECTION 2. FINDING OF BENEFIT AND PUBLIC PURPOSE. Provides that the legislature finds that all of the land and other property included within the boundaries of the Galveston Municipal Utility District No. 52 (district) will be benefited by the works and projects that are to be accomplished by the district under the powers conferred by Section 52 (Counties, Cities or other Political Corporations of Subdivisions; Lending Credit; Grants; Bonds), Article III, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution, and that the district is created to serve a public use and benefit. Sets forth the purposes of the district.

SECTION 3. CONSTRUCTION OF ACT. Provides that this Act prevails over any provision of general law that is in conflict with or inconsistent with this Act, including any provision of Chapter 49 (Provisions Applicable to All Districts) or 54 (Municipal Utility Districts), Water Code.

SECTION 4. APPLICABILITY OF OTHER LAW. (a) Provides that if any provision of general law relating to road utility districts is in conflict or inconsistent with this Act or Chapter 49 or 54, Water Code, this Act and Chapters 49 and 54, Water Code, prevail.

(b) Provides that this Act prevails over any provision of general law that is in conflict or inconsistent with this Act, including any provision of Chapter 49 or 54, Water Code.

SECTION 5. POWERS OF DISTRICT. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 6. SPECIFIC ROAD POWERS OF DISTRICT. (a) Authorizes the district to purchase, construct, acquire, own, operate, maintain, improve or extend inside and outside its boundaries roads and road facilities as defined in Chapter 441 (Road Utility Districts), Transportation Code, as authorized by Section 52, Article III, Texas Constitution.

(b) Provides that in accordance with Article III, Section 52, Texas Constitution, the district has the power and authority to issue bonds, notes, and other obligations or otherwise lend its credit and levy and collect taxes to pay the interest thereon and provide a sinking fund for the redemption thereof for the construction, purchase, maintenance and operation of roads and road facilities. Prohibits the total amount of bonds issued for such purpose from exceeding one-fourth of the assessed market value of real property of the

district as determined by the chief appraiser of the appraisal district that appraises property for the district.

(c) Authorizes roads and road facilities to include drainage, landscaping and pedestrian improvements and lights, signs, or signals that are incidental thereto and their construction, maintenance, or operation.

(d) Requires the roads and road facilities authorized by this section to meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the road or road facility is located.

(e) Authorizes the district, with the consent of a municipality or county, to convey a road or road facility to the municipality or county on completion of said road or road facility, provided the conveyance is free of all indebtedness of the district. Provides that if a municipality or county becomes the owner of a road or road facility, the municipality or county is responsible for all future maintenance and upkeep, and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agreed to by the district and the municipality or county.

(f) Authorizes the district to contract with a state agency, political subdivision, or corporation created under Chapter 431 (Texas Transportation Corporation Act), Transportation Code, for a joint road or road facility. Authorizes the district to issue bonds to pay all or part of the costs of the road or road facility and any other payments required pursuant to the contract. Sets certain guidelines for the contract.

(g) Authorizes the district to agree to certain reimbursements or purchases.

(h) Sets certain guidelines for the amount paid for reimbursement or purchase of a road or road facility.

(i) Authorizes the district to enter into an agreement to use the proceeds of a subsequent bond sale for reimbursing all construction costs, engineering and other expenses, and financing costs incident to construction or acquisition of a road or an interest in a road to a private person who constructs or acquires a road or road facility that benefits the district pursuant to the agreement. Authorizes the agreement to provide the terms and conditions under which the road or road facility will be dedicated or transferred for the benefit of the public and to pay or reimburse the cost of constructing or acquiring the road.

**SECTION 7. SPECIFIC NAVIGATION POWERS OF DISTRICT.** Authorizes the district to purchase, construct, acquire, own, operate, maintain, improve or extend inside and outside its boundaries canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district authorized by Section 59, Article XVI, Texas Constitution.

**SECTION 8. AUTHORITY OF COMMISSION OVER ISSUANCE OF DISTRICT BONDS.**

(a) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, apply to all water, wastewater, drainage, and recreational facility projects of the district and bonds issued therefor.

(b) Provides that Section 49.181, Water Code, applies to all road and road facility projects and navigation projects and bonds issued therefor. Provides that the commission's review of such projects is limited to the financial feasibility of such projects and bonds and is prohibited from including the review or approval of the design and construction of such projects or the engineering feasibility of such projects. Requires the requirements of written applications for investigation of feasibility to be adjusted accordingly.

(c) Provides that Section 49.182, Water Code, does not apply to road and road facility projects and navigation projects and bonds issued therefor.

(d) Provides that projects and bonds of the district are not subject to the review and approval of the Texas Transportation Commission or the rules promulgated by the Texas Transportation Commission.

SECTION 9. ELECTIONS REGARDING TAXES OR BONDS FOR ROADS. Authorizes the district to issue bonds, notes, and other obligations to finance roads and road facilities under Section 52(b)(3), Article III, Texas Constitution, secured in whole or in part by ad valorem taxation and impose ad valorem taxes to pay the principal of and interest on those obligations and provide a sinking fund for the redemption thereof only if the issuance is approved by a two-thirds majority of the voters of the district voting at an election called and held for that purpose.

SECTION 10. EMINENT DOMAIN. Requires the district to obtain the written consent of the city of Texas City, Texas, prior to exercising its power of eminent domain.

SECTION 11. ADDITIONAL LEGISLATIVE FINDINGS. 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 are fulfilled and accomplished.

SECTION 12. EFFECTIVE DATE. Effective date: September 1, 2005.