

## **BILL ANALYSIS**

Senate Research Center

S.B. 1808  
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Intergovernmental Relations  
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Enrolled

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

S.B. 1808 creates the Galveston County Municipal Utility District No. 54 (district) as a political subdivision of the State of Texas to finance and develop water, sewer, drainage, road and other facilities to serve the property in the district, which is located entirely within the City of Texas City and Galveston County. The district will be a municipal utility district operating pursuant to Chapters 49 and 54, Water Code.

### **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 F, Title 6, Special District Local Laws Code, by adding Chapter 8147, as follows:

#### CHAPTER 8147. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 54

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8147.001. DEFINITIONS. Defines "board," "city," "director," and "district."

Sec. 8147.002. NATURE OF DISTRICT. Provides that the Galveston County Municipal District No. 54 (district) is a municipality utility in Galveston County (county) created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8147.003. CONFIRMATION ELECTION REQUIRED. Requires the board of directors of the district (board) to hold an election to confirm the creation of the district as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8147.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) Provides that all land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) Provides that the district is created for the same purposes as certain types of districts.

Sec. 8147.005. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of territory described by Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect the district's organization, existence, or validity, the right to take certain action, or the district's legality or operation.

[Reserves Sections 8147.006-8147.050 for expansion.]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8147.051. DIRECTORS; TERMS. Sets forth the number and terms of the directors on the board of directors of the district.

Sec. 8147.052. ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

Sec. 8147.053. INITIAL DIRECTORS. (a) Provides that the initial board consists of certain persons.

(b) Provides that the terms of the first three directors named in Subsection (a) expire on the uniform election date in May 2006, and the terms of the last two directors named in Subsection (a) expire on the uniform election date in May 2008.

(c) Provides that this section expires September 1, 2009.

[Reserves Sections 8147.054-8147.100 for expansion.]

#### SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8147.101. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8147.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, applicable to municipality utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8147.103. ROAD PROJECTS. (a) Authorizes the district to 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.

(b) Requires a road project to meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the municipality or county in whose jurisdiction the district is located.

(c) Prohibits the district from undertaking a road project unless each municipality or county in whose jurisdiction the district is located consents by ordinance or resolution.

Sec. 8147.104. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Requires the district, subject to the limitations of Section 54.016 (Consent of City), Water Code, to comply with all applicable requirements of any ordinance or resolution adopted by the city council that consents to the creation of the district or to the inclusion of lands within the district.

Sec. 8147.105. LIMITATION ON USE OF EMINENT DOMAIN. Authorizes the district to exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

[Reserves Sections 8147.106-8147.150 for expansion.]

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8147.151. ELECTIONS REGARDING TAXES OR BONDS. (a) Authorizes the district, except as provided by Section 8147.201(c), to issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) Requires the district to hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

Sec. 8147.152. AD VALOREM TAX. (a) Authorizes the district, if authorized at an election held under Section 8147.151, to impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the construction, acquisition, maintenance, and operation of improvements.

(b) Requires the board to determine the tax rate. Prohibits the rate from exceeding the rate approved at the election.

[Reserves Sections 8147.153-8147.200 for expansion.]

#### SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8147.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from certain district funds or any combination of those sources, to pay for any authorized district purpose.

(b) Authorizes the district, in exercising the district's borrowing power, to issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) Prohibits the district from issuing bonds to finance projects authorized by Section 8147.103 unless the issuance is approved by a vote of two-thirds majority of the voters of the district voting at an election called for that purpose.

(d) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8147.103 from exceeding one-fourth of the assessed value of the real property in the district.

(e) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, do not apply to a project undertaken by the district under Section 8147.103 or to bonds issued by the district to finance the project.

Sec. 8147.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. Provides that at the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued the board is required to impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding. Requires the district to annually impose an ad valorem tax on all taxable property in the district in an amount sufficient to pay certain expenses and create a certain sinking fund.

SECTION 2. Sets forth the initial boundaries of the Galveston County Municipal Utility District No. 54.

SECTION 3. 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 4. Effective date: upon passage or September 1, 2005.