

## **BILL ANALYSIS**

S.B. 1826  
By: Estes  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

S.B. 1826 creates the Parker County Special Utility District

### **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. Amends Subtitle C, Title 6, Special District Local Laws Code, by adding Chapter 7202, as follows:

#### CHAPTER 7202. PARKER COUNTY SPECIAL UTILITY DISTRICT

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7202.001. DEFINITION. Defines "district."

Sec. 7202.002. NATURE OF DISTRICT. Provides that the Parker County Special Utility District (district) is a special district in Parker 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. 7202.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2007, certain results will occur.

Sec. 7202.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Provides that, except as otherwise provided by this chapter, Chapters 49 (Provisions Applicable to All Districts) and 65 (Special Utility Districts), Water Code, apply to the district.

Sec. 7202.005. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the 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 made in the field notes or in copying the field notes in the legislative process does not affect certain aspects of the district.

[Reserves Sections 7202.006-7202.020 for expansion.]

##### SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 7202.021. TEMPORARY DIRECTORS. (a) Sets forth the number and specific persons of the temporary board of directors of the district (board).

(b) Requires each temporary director to qualify for office as provided by Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code.

(c) Requires the temporary directors who have qualified for office, if a temporary director fails to qualify for office, to appoint a person to fill the vacancy. Requires the Texas Commission on Environmental Quality (TCEQ), if at any time there are fewer than four qualified temporary directors, to appoint the necessary number of directors to fill all vacancies on the board.

(d) Provides that temporary directors serve until initial directors are elected under Section 7202.022.

Sec. 7202.022. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district and to elect seven initial directors in accordance with Chapters 49 and 65, Water Code, on or before September 1, 2007.

(b) Requires the temporary board of directors to determine the method for determining the initial term of each person on the initial board of directors. Requires the terms to be clearly stated on the ballot for the confirmation and directors' election.

(c) Provides that Section 41.001(a) (relating to the dates of general and special elections in this state), Election Code, does not apply to a confirmation election held as provided by this section.

(d) Provides that initial directors serve until the first regularly scheduled election of directors under Subchapter C, Chapter 65, Water Code.

Sec. 7202.023. TRANSFER OF ASSETS; DISSOLUTION. (a) Requires the Parker County Water Supply Corporation (corporation), if the district's creation is confirmed under Section 7202.022, to transfer the assets, debts, and contractual rights and obligations of the corporation to the district.

(b) Requires the board of directors of the corporation, not later than the 30th day after the date of the transfer under Subsection (a), to commence the dissolution proceedings of the corporation.

(c) Provides that, on dissolution of the corporation, Certificate of Convenience and Necessity No. 12313 is considered to be held by the district.

(d) Requires the board of directors of the corporation to notify TCEQ of the dissolution of the corporation and of the transfer of Certificate of Convenience and Necessity No. 12313 to the district.

(e) Requires TCEQ, on receipt of notice under Subsection (d), to note in its records that Certificate of Convenience and Necessity No. 12313 is held by the district and to reissue the certificate in the name of the district without further application or notice.

Sec. 7202.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 7202.025-7202.050 for expansion.]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7202.051. DIRECTORS: TERM OF OFFICE. (a) Provides that the district is governed by a board of not fewer than five and not more than 11 directors.

(b) Provides that a member of the board serves a three-year term of office and is authorized to serve consecutive terms.

[Reserves Sections 7202.052-7202.100 for expansion.]

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 7202.101. GENERAL POWERS. Provides that the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 65, Water Code, applicable to special utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7202.102. WATER SERVICE IMPACT FEE. (a) Authorizes the district to charge a water service impact fee that is equal to the sum of the equity buy-in fee and the installation fee charged by the corporation on November 1, 2004, under that corporation's tariff.

(b) Provides that Chapter 395 (Financing Capital Improvements Required by New Development in Municipalities, Counties, and Certain Other Local Governments), Local Government Code, does not apply to the initial water service impact fee.

(c) Authorizes the district to increase the water service impact fee only as provided by Chapter 395 (Financing Capital Improvements Required by New Development in Municipalities, Counties, and certain Other Local Governments), Local Government Code, or as approved by the TCEQ.

Sec. 702.103. EMINENT DOMAIN. (a) Provides that the district has all the authority under Chapters 49 and 65, Water Code, of a special utility district to acquire by condemnation any land, easement, or other property located inside or outside the boundaries of the district for any district project on purpose, except as provided by Subsection (b).

(b) Prohibits the district from exercising the power of eminent domain to condemn, for sanitary sewer purposes, land, easements, or other property located outside the boundaries of the district.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. (a) Provides that the legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313 (Notice for Local and Special Laws), Government Code.

(b) Provides that the governor has submitted the notice and Act to TCEQ.

(c) Provides that TCEQ has filed its recommendations relating to this Act with the governor, lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

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