

BILL ANALYSIS

Senate Research Center
79R13505 HLT-F

S.B. 1862
By: Shapleigh
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed S.B. 1862 creates the Tierra Del Este Municipal Utility District in El Paso Texas, which will provide certain authorities and services to the district in addition to the rights of a municipal utility district.

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 8127, as follows:

CHAPTER 8127. TIERRA DEL ESTE MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8127.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8127.002. NATURE OF DISTRICT. Provides that the Tierra del Este Municipal Utility District (district) is a municipal utility district in El Paso 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. 8127.003. CONFIRMATION ELECTION REQUIRED. Sets forth certain requirements if the creation of the district is not confirmed at a confirmation election held under Section 8127.022 before September 1, 2007.

Sec. 8127.004. 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 actions, or the legality of the district's operation.

Sec. 8127.005. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this chapter, Chapters 30 (Regional Waste Disposal), 49 (Provisions Applicable to All Districts), and 54 (Municipal Utility Districts), Water Code, apply to the district.

[Reserves Sections 8127.006-8127.020 for expansion.]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8127.021. TEMPORARY DIRECTORS. (a) Provides that the temporary board consists of certain individuals.

(b) Provides that temporary directors of the district are not required to own land in or be residents of the district.

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

(d) Requires temporary directors serve until the earlier of certain dates.

Sec. 8127.022. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors shall hold an election to confirm the creation of the district and to elect five initial directors as provided by Section 49.102, Water Code.

(b) Authorizes the board, at the confirmation and initial directors' election the board to submit to the voters a proposition to make certain authorizations.

(c) Provides that Section 41.001(a), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Sec. 8127.023. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8127.022 to draw lots to determine which two are required to serve until the first regularly scheduled election of directors under Section 8127.052 and which three are required to serve until the second regularly scheduled election of directors.

Sec. 8127.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8127.025-8127.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8127.051. DIRECTORS; TERMS. Sets forth the number and terms of the directors on the board of directors (board) of the district.

Sec. 8127.052. 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 8127.053-8127.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8127.101. DEFINITIONS. Defines "affordable housing unit," "average median family income," "residential housing unit," "residential property," and "standard loan qualifying guidelines."

Sec. 8127.102. DETERMINATION OF INITIAL PURCHASE PRICE. (a) Sets forth purchase price guidelines for a purchaser of documented low or very low income of an affordable housing unit.

(b) Sets forth, except as provided by Subsection (a), purchase price guidelines for a low income family of four for an affordable housing unit.

Sec. 8127.103. DETERMINATION OF MAXIMUM MONTHLY MORTGAGE LOAN PAYMENT. Provides that the amounts to be paid by the borrower for tax and insurance escrows and mortgage insurance premiums are included in addition to the payment for principal and interest on the loan to determine the maximum monthly mortgage loan

payment that a borrower may have and still meet the required debt-to-income ratio of the standard loan qualifying guidelines.

Sec. 8127.104. ZONING AUTHORITY. Provides that the district has the zoning authority granted to a municipality under Chapter 211 (Municipal Zoning Authority), Local Government Code.

Sec. 8127.105. AFFORDABLE HOUSING REQUIREMENTS. Requires the exercise the authority granted to the district under Section 8127.104 make certain ensurances.

Sec. 8127.106. DEVELOPMENT AND SALE OF AFFORDABLE HOUSING. (a) Requires the district to require property designated for affordable housing to be developed and made available for sale concurrently with other residential property in the district.

(b) Requires the district to reject any requested purchase of property within a housing sector in which the affordable housing units required under Section 8127.105 are not completed.

Sec. 8127.107. COMPLIANCE WITH MUNICIPAL ORDINANCES. Provides that the district is subject to the requirements of municipal ordinances of the City of El Paso (city) that apply to areas within the extraterritorial jurisdiction of the city.

[Reserves Sections 8127.108-8127.150 for expansion.]

SUBCHAPTER D. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS

Sec. 8127.151. DIVISION OF DISTRICT; REQUIREMENTS. (a) Authorizes the district, subject to the approval of the city, at any time before the district issues indebtedness secured by taxes or net revenues, including any annexed territory, to be divided into two or more new districts.

(b) Requires a new district created by division of the district to be at least 100 acres.

(c) Authorizes the board by resolution to declare an intent to divide the district. Sets certain requirements for the resolution.

Sec. 8127.152. DISTRICT DIVISION BY ELECTION. (a) Authorizes the board to hold an election in the district to determine whether the district should be divided as proposed under Section 8127.151.

(b) Requires the board to give notice of the election not later than the 20th day before the date of the election. Requires the notice to state certain information.

(c) Provides that if a majority of the votes are cast in favor of the division, the district is divided.

(d) Prohibits the district from being divided if less than a majority of the votes are cast in favor of the division.

Sec. 8127.153. NOTICE OF DIVISION. Requires the district to provide written notice of the plan for division to certain entities not later than the 30th day after the date of a division under this subchapter.

Sec. 8127.154. DISTRICT NAMES FOLLOWING DIVISION. Provides that the resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Sec. 8127.155. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Requires the board to take certain steps not later than the 90th day after the date of an election in favor of the division of the district.

(b) Sets forth the terms of the directors.

(c) Sets forth the service timeline of the directors.

(d) Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

Sec. 8127.156. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Authorizes each new district to incur and pay debts and provides that each one has all powers of the original district created by this chapter.

(b) Provides that if the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Requires debts to be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Requires any other district obligation to be divided pro rata among the new districts on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8127.157. CONTRACT AUTHORITY OF NEW DISTRICTS. Authorizes the new districts to contract with each other for certain services.

Sec. 8127.158. BOND ISSUANCE BY NEW DISTRICT. Authorizes a new district to issue bonds payable wholly or partly from ad valorem taxes on the approval of a majority of the residents voting in an election called and held for that purpose.

Sec. 8127.159. MAINTENANCE TAX APPROVAL FOR NEW DISTRICT. Authorizes a new district to impose a maintenance tax on the approval of a majority of the residents voting in an election called and held for that purpose.

SECTION 2. BOUNDARIES. Sets forth the initial boundaries of the Tierra del Este Municipal Utility District.

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: September 1, 2005.