

## **BILL ANALYSIS**

Senate Research Center

S.B. 1865  
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Intergovernmental Relations  
6/9/2005  
Enrolled

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

S.B. 1865 creates the Galveston County Municipal Utility District No. 53 (district), encompassing the area inside the corporate boundaries of the City of Texas City. Because the land will be developed into single-family residential and commercial properties, water, sewer, and drainage services need to be secured. Creating the district will facilitate the purchase, acquisition, or construction of facilities needed for those services by using tax exempt bonds.

### **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 8131, as follows:

#### CHAPTER 8131. GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 53

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8131.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8131.002. NATURE OF DISTRICT. Provides that the Galveston County Municipal Utility District No. 53 (district) is a municipal utility district in Galveston County (county) created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 8131.003. CONFIRMATION ELECTION REQUIRED. Provides that, if the creation of the district is not confirmed at a confirmation election held under Section 8131.023 before September 1, 2009:

(1) the district is dissolved September 1, 2009, except that: any debts incurred shall be paid; any assets that remain after the payment of debts shall be transferred to the county; and the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and

(2) this chapter expires September 1, 2010.

Sec. 8131.004. 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: the organization, existence, or validity of the district; the right of the district to impose taxes; the validity of the district's bonds, notes, or indebtedness; or the legality or operation of the district or the board.

Sec. 8131.005. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this chapter, Chapters 49 (Provisions Applicable to all Districts) and 54 (Municipal Utility Districts), Water Code, apply to the district.

[Reserves Sections 8131.006-8131.020 for expansion.]

#### SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8131.021. TEMPORARY DIRECTORS. (a) Authorizes, on or after September 1, 2005, a person who owns land inside the boundaries of the proposed district to petition the Texas Commission on Environmental Quality (TCEQ) to appoint as temporary directors the five persons listed in the petition.

(b) Requires TCEQ to appoint as temporary directors the persons listed in a petition received by the commission under Subsection (a). Requires TCEQ, if it receives more than one petition, to appoint the directors listed in the first petition TCEQ receives.

(c) Requires TCEQ, if a temporary director fails to qualify for office, to appoint a person to fill the vacancy.

(d) Provides that temporary directors serve until the earlier of the date directors are elected under Section 8131.023, or the date this chapter expires under Section 8131.003.

Sec. 8131.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified, to meet at a location in the district agreeable to a majority of the directors. Requires the meeting, if a location cannot be agreed upon, to be at the county courthouse. Requires the temporary directors, at the meeting, to elect officers from among the temporary directors and conduct any other district business.

Sec. 8131.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors.

Sec. 8131.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8131.023 to draw lots to determine which two shall serve terms expiring June 1 following the first regularly scheduled election of directors under Section 8131.052 and which three shall serve until June 1 following the second regularly scheduled election of directors.

Sec. 8131.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8131.026-8131.050 for expansion.]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8131.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors serving staggered four-year terms that expire June 1 of even-numbered years.

Sec. 8131.052. 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 8131.053-8131.100 for expansion.]

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8131.101. GENERAL POWERS. Provides that the district has all the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8131.102. ROAD PROJECTS. (a) Authorizes the district, to the extent authorized by Section 52, Article III, Texas Constitution, 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. 8131.103. 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 a pipeline that serves the district.

Sec. 8131.104. 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 of the City of Texas City, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

[Reserves Sections 8131.105-8131.150 for expansion.]

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8131.151. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal of or interest on bonds issued under Section 8131.201.

Sec. 8131.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. Prohibits the district from imposing an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements of certain utilities and service providers.

[Reserves Sections 8131.153-8131.200 for expansion.]

#### SUBCHAPTER E. BONDS

Sec. 8131.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations as provided by certain chapters of the Water Code, to finance the construction, maintenance, or operation of projects under Sections 8131.101 and 8131.102.

(b) Prohibits the district from issuing bonds to finance projects authorized by Section 8131.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8131.102 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that certain sections of the Water Code do not apply to a project undertaken by the district under Section 8131.102, or to bonds issued by the district to finance the project.

SECTION 2. Sets forth the initial boundaries of the 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.