

BILL ANALYSIS

Senate Research Center

S.B. 1894
By: Deuell
Intergovernmental Relations
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Enrolled

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

S.B. 1894 creates the Kaufman County Water Control and Improvement District No. 1 (district), to provide water, sewer, drainage and road improvements to a 586-acre tract located in part of the unincorporated area of Kaufman County and partly in the City of Terrell, Texas. All of the land within the district is located in Kaufman County. The City of Terrell has provided formal consent, by way of two separate resolutions of support (City Resolution No. 512 and No. 520).

The proposed district will contain mixed use development and will abide by the rules and regulations of Kaufman County. The water, sewer and drainage bonds of the proposed district will be subject to approval by the Texas Commission on Environmental Quality. The bond issue for road improvements will be reviewed by the attorney general of Texas. The road bonds must be approved by a two-thirds vote at an election within the district and may not exceed 25 percent of the amount of the ad valorem tax base in the district.

The district is essential to the financing of the infrastructure of the development. Upon completion of build-out, the ad valorem tax base attendant to the development will have increased by approximately \$400 million. This will provide direct benefits to the school district and Kaufman County.

S.B. 1894 also creates the Las Lomas Municipal Utility District of Kaufman County and the Rose Hill Special Utility District and amends the powers, management, and boundaries of the Kingsborough Municipal Utility Districts Nos. 1, 2, 3, 4, and 5 of Kaufman County.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

ARTICLE 1. CREATION OF KAUFMAN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SECTION 1.01. Amends Subtitle I, Title 6, Special District Local Laws Code, by adding Chapter 9002, as follows:

CHAPTER 9002. KAUFMAN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9002.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 9002.002. NATURE OF DISTRICT. Provides that the Kaufman County Water Control and Improvement District No. 1 (district) is a conservation and reclamation district in Kaufman 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. 9002.003. CONFIRMATION ELECTION REQUIRED. Provides that certain actions will be taken if the creation of the district is not confirmed at a confirmation election held under Section 9002.023 before September 1, 2007.

Sec. 9002.004. 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 1.02 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.

Sec. 9002.005. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this chapter, Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, apply to the district.

[Reserves Sections 9002.006-9002.020 for expansion.]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 9002.021. TEMPORARY DIRECTORS. (a) Sets forth the composition of the temporary board of directors.

(b) Requires the Texas Commission on Environmental Quality (TCEQ), if a temporary director fails to qualify for office, to appoint a person to fill the vacancy.

(c) Sets forth the term lengths of temporary directors.

Sec. 9002.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. Requires the organizational meeting to be held at the Kaufman County Courthouse if a location cannot be agreed upon. Requires temporary directors, at the meeting, to elect officers from among the temporary directors and conduct any other district business.

Sec. 9002.023. 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 of the board (directors) as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 9002.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 9002.023 to draw lots to determine which two are required to serve until the first regularly scheduled election of directors under Section 9002.052 and which three are required to serve until the second regularly scheduled election of directors.

Sec. 9002.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 9002.026-9002.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9002.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors (board) who serve staggered four-year terms.

Sec. 9002.052. 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 9002.053-9002.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9002.101. ROAD PROJECTS. (a) Authorizes the district, to the extent authorized by Section 52 (Counties, Cities, or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), 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. 9002.102. 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. 9002.103. AUTHORITY TO PROVIDE SERVICES. Authorizes the district to provide water, sanitary water, drainage, and road services to any part of the district not receiving those services on the effective date of the Act creating this chapter.

Sec. 9002.104. AUTHORITY TO CONTRACT. Authorizes the district to enter into a contract with an owner of real property in the district to construct, acquire, finance, own, maintain, or operate works or projects authorized by Section 9002.103.

Sec. 9002.105. DIVISION OF DISTRICT. Authorizes the district to divide into two new districts as provided by Section 53.029 (Division of or Assumption of Authority by Certain Districts), Water Code.

[Reserves Sections 9002.106-9002.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9002.151. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal of and interest on bonds issued under Section 9002.201.

Sec. 9002.152. 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 9002.153-9002.200 for expansion.]

SUBCHAPTER E. BONDS

Sec. 9002.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Section 9002.101.

(b) Prohibits the district from issuing bonds under Subsection (a) 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 9002.101 from exceeding one-fourth of the assessed value of the real property in the district.

(d) 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 9002.101 or to bonds issued by the district to finance the project.

Sec. 9002.202. USE OF BOND PROCEEDS. Authorizes the district to use proceeds from the sale of bonds to acquire from a private owner supply corporation facilities or improvements necessary to provide a service authorized by Section 9002.103.

SECTION 1.02. Sets forth the initial territory included in the district.

SECTION 1.03. 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 article are fulfilled and accomplished.

ARTICLE 2. CREATION OF LAS LOMAS MUNICIPAL UTILITY DISTRICT NO. 4 OF KAUFMAN COUNTY

SECTION 2.01. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8138, as follows:

CHAPTER 8138. LAS LOMAS MUNICIPAL UTILITY DISTRICT NO. 4 OF KAUFMAN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8138.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8138.002. NATURE OF DISTRICT. Provides that the Las Lomas Municipal Utility District No. 4 of Kaufman county (district) is a municipal utility district in Kaufman 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. 8138.003. CONFIRMATION ELECTION REQUIRED. Provides that certain actions will be taken if the creation of the district is not confirmed at a confirmation election held under Section 8138.023 before September 1, 2007.

Sec. 8138.004. 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 2.02 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 8138.005-8138.020 for expansion.]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 9002.021. TEMPORARY DIRECTORS. (a) Sets forth the composition of the temporary board of directors.

(b) Requires the Texas Commission on Environmental Quality (TCEQ), if a temporary director fails to qualify for office, to appoint a person to fill the vacancy.

(c) Sets forth the term lengths of temporary directors.

Sec. 8138.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. Requires the organizational meeting to be held at the Kaufman County Courthouse if a location cannot be agreed upon. Requires temporary directors, at the meeting, to elect officers from among the temporary directors and conduct any other district business.

Sec. 8138.023. 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 of the board (directors) as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8138.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 9002.023 to draw lots to determine which two are required to serve until the first regularly scheduled election of directors under Section 9002.052 and which three are required to serve until the second regularly scheduled election of directors.

Sec. 8138.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8138.026-8138.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8138.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors (board) who serve staggered four-year terms.

Sec. 8138.052. 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 8138.053-8138.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8138.101. 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 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8138.102. ROAD PROJECTS. (a) Authorizes the district, to the extent authorized by Section 52 (Counties, Cities, or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), 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. 8138.103. CERTIFICATE OF CONVENIENCE AND NECESSITY. (a) Authorizes the district to pay out of bond proceeds or other available district money all expenses, including legal, engineering, and other fees, related to obtaining a new

certificate of convenience and necessity under Chapter 13, Water Code, authorizing the district to provide retail water or sewer service inside or outside the district.

(b) Authorizes the district to pay out of bond proceeds or other available district money all expenses, including the purchase price, related to acquiring certificate of convenience and necessity rights from another retail public utility to allow the district to provide retail water or sewer service in the district.

Sec. 8138.104. CONTRACT WITH POLITICAL SUBDIVISION FOR WATER OR SEWER SERVICES. (a) Authorizes the district to enter into a contract to allow a political subdivision to provide retail water or sewer service in the district. Authorizes the contract to contain terms the board considers desirable, fair, and advantageous to the district.

(b) Authorizes the contract to provide that the district will construct or acquire and convey to the political subdivision a water supply or treatment system, a water distribution system, or a sanitary sewage collection or treatment system as necessary to provide water or sewer service in the district.

(c) Authorizes the district to use bond proceeds or other available district money to pay for its obligations and for services and facilities provided under the contract.

(d) Provides that, if the contract requires the district to make payments from taxes other than operation and maintenance taxes, the contract is subject to Section 49.108, Water Code.

Sec. 8138.105. 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 a pipeline that serves the district.

[Reserves Sections 8138.106-8138.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8138.151. OPERATION AND MAINTENANCE TAX. (a) Authorizes the district to impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code.

(b) Provides that Section 49.107(f), Water Code, does not apply to reimbursements for projects constructed or acquired under Section 8138.102.

Sec. 8138.152. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal of and interest on bonds issued under Section 8138.201.

Sec. 8138.153. 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 providers.

[Reserves Sections 8138.154-8138.200 for expansion.]

SUBCHAPTER E. BONDS

Sec. 8138.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, and to finance certain projects and obligations.

(b) Prohibits the district from issuing bonds to finance projects authorized by Section 8138.102 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 8138.102 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8138.102 or to bonds issued by the district to finance the project.

[Reserves Sections 8138.202-8138.250 for expansion.]

SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8138.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) Authorizes the district, 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 to consider a proposal to divide the district on a petition of a landowner in the district or a motion by the board.

(d) Requires the board to take certain actions if the board decides to divide the district.

Sec. 8138.252. ELECTION FOR DIVISION OF DISTRICT. (a) Requires the board, after it has complied with Section 8138.251(d), to hold an election in the district to determine whether the district should be divided as proposed.

(b) Requires the board to give notice of the election not later than the 35th 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 required to be divided and not later than the 30th day after the date of the election, the district is required to provide written notice of the division to certain entities.

(d) Prohibits the district from being divided if a majority of the votes are not cast in favor of the division.

Sec. 8138.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Requires the board, not later than the 90th day after the date of an election in favor of the division of the district, to make certain appointments relating to the new districts.

(b) Provides that directors appointed under Subsection (a)(1) serve the staggered terms to which they were elected in the original district. Provides that directors appointed under Subsection (a)(2) serve until the election for directors under Subsection (c).

(c) Requires an election, on the uniform election date in May of the first even-numbered year after the year in which the directors are appointed, to be held to elect five directors in each district for which directors were appointed under Subsection (a)(2). Requires the directors to draw lots to determine which two are required to serve two-year terms and which three shall serve four-year terms.

(d) Provides that, except as provided by Subsection (c), directors serve staggered four-year terms. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

Sec. 8138.254. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Authorizes each new district to incur and pay debts and provides that it 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 under Section 8138.251(d).

(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. 8138.255. CONTRACT AUTHORITY OF NEW DISTRICTS. Authorizes the new districts to contract with each other for water and wastewater services or any other matter the boards of the new districts consider appropriate.

SECTION 2.02. Sets forth the territory initially included in the district.

SECTION 2.03. 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 article are fulfilled and accomplished.

ARTICLE 3. THE KINGSBOROUGH MUNICIPAL UTILITY DISTRICT NOS. 1, 2, 3, 4, AND 5 OF KAUFMAN COUNTY

SECTION 3.01. Amends Section 5, Chapter 1299, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 5. BOUNDARIES. Sets forth the boundaries of the Kingsborough Municipal Utility District Nos. 1, 2, 3, 4, and 5.

SECTION 3.02. Amends Section 10(b), Chapter 1299, Acts of the 78th Legislature, Regular Session, 2003, to authorize a district, outside the boundaries of the district, to exercise the power of eminent domain only for the purpose of constructing, acquiring, operating, repairing, or maintaining water supply lines or sanitary sewer lines and drainage systems.

SECTION 3.03. Amends Section 12(b), Chapter 1299, Acts of the 78th Legislature, Regular Session, 2003, delete existing text making this subsection subject to Subsection (e) of this section.

SECTION 3.04. Amends Section 15, Chapter 1299, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 15. New heading: EFFECTIVE DATE. Deletes existing text relating to the expiration of the provisions of this Act relating to a district expire on that date if the creation of the district is not confirmed at a confirmation election.

SECTION 3.05. Repealer: Section 12(e), Chapter 1299, Acts of the 78th Legislature, Regular Session, 2003.

ARTICLE 4. ROSE HILL SPECIAL UTILITY DISTRICT

SECTION 4.01. Amends Subtitle C, Title 6, Special District Local Laws Code, by adding Chapter 7204, as follows:

CHAPTER 7204. ROSE HILL SPECIAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7204.001. DEFINITION. Defines "district."

Sec. 7204.002. NATURE OF DISTRICT. Provides that the Rose Hill Special Utility District (district) is a special utility district in Kaufman County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 7204.003. CONFIRMATION ELECTION REQUIRED. Provides that certain actions will be taken if the creation of the district is not confirmed at a confirmation and initial directors' election held before September 1, 2007.

Sec. 7204.004. APPLICABILITY OF OTHER SPECIAL UTILITY DISTRICT LAW. Provides that, except as otherwise provided by this chapter, Chapters 49 and 65, Water Code, apply to the district.

Sec. 7204.005. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 4.02 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 4.02 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 7204.006-7204.020 for expansion.]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 7204.021. TEMPORARY DIRECTORS. (a) Sets forth the composition 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, Water Code.

(c) Requires, if a temporary director fails to qualify for office, the temporary directors who have qualified to appoint a person to fill the vacancy. Requires TCEQ, if at any time there are fewer than three 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 7204.022.

Sec. 7204.022. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district and to elect five 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), 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. 7204.023. TRANSFER OF ASSETS; DISSOLUTION. (a) Requires the Rose Hill Water Supply Corporation (corporation), if the district's creation is confirmed under

Section 7204.022, 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 dissolution proceedings of the corporation.

(c) Provides that, on dissolution of the corporation, Certificate of Convenience and Necessity No. 10849 is considered to be held by the district.

(d) Requires the board of directors of the corporation to notify TCEQ the dissolution of the corporation and of the transfer of Certificate of Convenience and Necessity No. 10849 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. 10849 is held by the district and to reissue the certificate in the name of the district without further application or notice.

Sec. 7204.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 7204.025-7204.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7204.051. DIRECTORS. Provides that the district is governed by a board of not fewer than five and not more than 11 directors.

[Reserves Sections 7204.052-7204.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7204.101. GENERAL POWERS. Provides that, except as otherwise provided by this subchapter, 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. 7204.102. WATER SERVICE IMPACT FEE. (a) Requires the district to charge a water service impact fee that is equal to the sum of the equity buy-in fee, aids to construction fee, and connection fee charged by the corporation on January 15, 2005, under that corporation's tariff.

(b) Provides that Chapter 395, Local Government Code, does not apply to the initial water service impact fee set under this section.

(c) Authorizes the district to increase the water service impact fee only as provided by Chapter 395, Local Government Code, or as approved by TCEQ.

Sec. 7204.103. EMINENT DOMAIN. (a) Provides that, except as provided by Subsection (b), 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 or purpose.

(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 4.02. Sets forth the territory included in the district.

SECTION 4.03. 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 article are fulfilled and accomplished.

ARTICLE 5. EFFECTIVE DATE

SECTION 5.01. Effective date: upon passage or September 1, 2005.