

By: Flynn

H.B. No. 1141

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the conversion of the Verandah Fresh Water Supply
3 District of Hunt County to a municipal utility district; providing
4 authority to impose a tax and issue bonds; granting the power of
5 eminent domain.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. The Verandah Fresh Water Supply District of Hunt
8 County is converted to the Verandah Municipal Utility District of
9 Hunt County. Section 54.034, Water Code, applies to the district in
10 the same manner as a district converted under Sections
11 54.030-54.033, Water Code.

12 SECTION 2. Subtitle F, Title 6, Special District Local Laws
13 Code, is amended by adding Chapter 8110 to read as follows:

14 CHAPTER 8110. VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

15 SUBCHAPTER A. GENERAL PROVISIONS

16 Sec. 8110.001. DEFINITIONS. In this chapter:

17 (1) "Board" means the board of directors of the
18 district.

19 (2) "Director" means a member of the board.

20 (3) "District" means the Verandah Municipal Utility
21 District of Hunt County.

22 Sec. 8110.002. NATURE OF DISTRICT. (a) The district is a
23 municipal utility district with road powers.

24 (b) The district is essential to accomplish the purposes of

1 Section 52, Article III, and Section 59, Article XVI, Texas
2 Constitution, and will serve a public use and benefit.

3 [Sections 8110.003-8110.050 reserved for expansion]

4 SUBCHAPTER B. POWERS AND DUTIES

5 Sec. 8110.051. MUNICIPAL UTILITY DISTRICT POWERS AND
6 DUTIES. The district has the powers and duties provided by the
7 general law of this state, including Chapters 49 and 54, Water Code,
8 applicable to municipal utility districts created under Section 59,
9 Article XVI, Texas Constitution.

10 Sec. 8110.052. ROAD PROJECTS. The district may construct,
11 acquire, improve, maintain, or operate macadamized, graveled, or
12 paved roads or turnpikes, or improvements in aid of those roads or
13 turnpikes, inside or outside the district.

14 Sec. 8110.053. ROAD CONTRACTS. The district may contract
15 for a road project in the same manner as provided by Subchapter I,
16 Chapter 49, Water Code.

17 Sec. 8110.054. CERTIFICATE OF CONVENIENCE AND NECESSITY.
18 (a) The district may pay out of bond proceeds or other available
19 district money all expenses, including legal, engineering, and
20 other fees, related to obtaining a new certificate of convenience
21 and necessity under Chapter 13, Water Code, authorizing the
22 district to provide retail water or sewer service inside or outside
23 the district.

24 (b) The district may pay out of bond proceeds or other
25 available district money all expenses, including the purchase
26 price, related to acquiring certificate of convenience and
27 necessity rights from another retail public utility to allow the

1 district to provide retail water or sewer service in the district.

2 Sec. 8110.055. CONTRACT WITH POLITICAL SUBDIVISION FOR
3 WATER OR SEWER SERVICES. (a) The district may enter into a
4 contract to allow a political subdivision to provide retail water
5 or sewer service in the district. The contract may contain terms
6 the board considers desirable, fair, and advantageous to the
7 district.

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

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

16 (d) If the contract requires the district to make payments
17 from taxes other than operation and maintenance taxes, the contract
18 is subject to Section 49.108, Water Code.

19 [Sections 8110.056-8110.100 reserved for expansion]

20 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

21 Sec. 8110.101. OPERATION AND MAINTENANCE TAX. (a) The
22 district may impose a tax for any district operation and
23 maintenance purpose in the manner provided by Section 49.107, Water
24 Code.

25 (b) Section 49.107(f), Water Code, does not apply to
26 reimbursements for projects constructed or acquired under Section
27 8110.052.

1 Sec. 8110.102. TAX TO REPAY BONDS. The district may impose
2 a tax to pay the principal of and interest on bonds issued under
3 Section 8110.151.

4 Sec. 8110.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
5 ASSESSMENTS. The district may not impose an impact fee or
6 assessment on the property, including the equipment,
7 rights-of-way, facilities, or improvements, of:

8 (1) an electric utility or a power generation company
9 as defined by Section 31.002, Utilities Code;

10 (2) a gas utility as defined by Section 101.003 or
11 121.001, Utilities Code;

12 (3) a telecommunications provider as defined by
13 Section 51.002, Utilities Code;

14 (4) a cable operator, as defined by 47 U.S.C. Section
15 522; or

16 (5) a person who provides to the public advanced
17 telecommunications services.

18 [Sections 8110.104-8110.150 reserved for expansion]

19 SUBCHAPTER D. BONDS

20 Sec. 8110.151. AUTHORITY TO ISSUE BONDS AND OTHER
21 OBLIGATIONS. (a) In addition to the general authority to issue
22 bonds under Chapters 49 and 54, Water Code, the district may issue
23 bonds or other obligations as provided by Chapters 49 and 54, Water
24 Code, to finance the construction, maintenance, or operation of
25 projects under Section 8110.052.

26 (b) The district may issue bonds or other obligations
27 payable wholly or partly from ad valorem taxes, impact fees,

1 revenue, grants, or other district money or any combination of
2 those sources.

3 (c) The district may not issue bonds or other obligations
4 secured wholly or partly by ad valorem taxation to finance projects
5 authorized by Section 8110.052 unless the issuance is approved by a
6 vote of a two-thirds majority of the voters of the district voting
7 at an election called for that purpose.

8 (d) Bonds or other obligations issued or incurred to finance
9 projects authorized by Section 8110.052 may not exceed one-fourth
10 of the assessed value of the real property in the district.

11 (e) Sections 49.181 and 49.182, Water Code, do not apply to
12 a project undertaken by the district under Section 8110.052 or to
13 bonds issued by the district to finance the project.

14 SECTION 3. (a) The following are validated and confirmed in
15 all respects:

16 (1) the creation of the Verandah Fresh Water Supply
17 District of Hunt County and all proceedings related to the creation
18 of the district, effective as of the date on which the creation or
19 related proceedings occurred; and

20 (2) any act or proceeding of the district, including
21 an election, not excepted by this section and taken not more than
22 three years before the effective date of this Act, effective as of
23 the date on which the act or proceeding occurred.

24 (b) This section does not apply to:

25 (1) an act, proceeding, director, other official,
26 bond, or other obligation the validity of which or of whom is the
27 subject of litigation that is pending on the effective date of this

1 Act; or

2 (2) an act or proceeding that, under a statute of this
3 state or the United States, was a misdemeanor or felony at the time
4 the act or proceeding occurred.

5 SECTION 4. (a) The legal notice of the intention to
6 introduce this Act, setting forth the general substance of this
7 Act, has been published as provided by law, and the notice and a
8 copy of this Act have been furnished to all persons, agencies,
9 officials, or entities to which they are required to be furnished
10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11 Government Code.

12 (b) The governor, one of the required recipients, has
13 submitted the notice and Act to the Texas Commission on
14 Environmental Quality.

15 (c) The Texas Commission on Environmental Quality has filed
16 its recommendations relating to this Act with the governor, the
17 lieutenant governor, and the speaker of the house of
18 representatives within the required time.

19 (d) All requirements of the constitution and laws of this
20 state and the rules and procedures of the legislature with respect
21 to the notice, introduction, and passage of this Act are fulfilled
22 and accomplished.

23 SECTION 5. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2005.