

1-1 By: Flynn (Senate Sponsor - Deuell) H.B. No. 1141
1-2 (In the Senate - Received from the House May 10, 2005;
1-3 May 12, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 20, 2005, reported favorably by
1-5 the following vote: Yeas 4, Nays 0; May 20, 2005, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the conversion of the Verandah Fresh Water Supply
1-10 District of Hunt County to a municipal utility district; providing
1-11 authority to impose a tax and issue bonds; granting the power of
1-12 eminent domain.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. The Verandah Fresh Water Supply District of Hunt
1-15 County is converted to the Verandah Municipal Utility District of
1-16 Hunt County. Section 54.034, Water Code, applies to the district in
1-17 the same manner as a district converted under Sections
1-18 54.030-54.033, Water Code.

1-19 SECTION 2. Subtitle F, Title 6, Special District Local Laws
1-20 Code, is amended by adding Chapter 8110 to read as follows:

1-21 CHAPTER 8110. VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

1-22 SUBCHAPTER A. GENERAL PROVISIONS

1-23 Sec. 8110.001. DEFINITIONS. In this chapter:

1-24 (1) "Board" means the board of directors of the
1-25 district.

1-26 (2) "Director" means a member of the board.

1-27 (3) "District" means the Verandah Municipal Utility
1-28 District of Hunt County.

1-29 Sec. 8110.002. NATURE OF DISTRICT. (a) The district is a
1-30 municipal utility district with road powers.

1-31 (b) The district is essential to accomplish the purposes of
1-32 Section 52, Article III, and Section 59, Article XVI, Texas
1-33 Constitution, and will serve a public use and benefit.

1-34 [Sections 8110.003-8110.050 reserved for expansion]

1-35 SUBCHAPTER B. POWERS AND DUTIES

1-36 Sec. 8110.051. MUNICIPAL UTILITY DISTRICT POWERS AND
1-37 DUTIES. The district has the powers and duties provided by the
1-38 general law of this state, including Chapters 49 and 54, Water Code,
1-39 applicable to municipal utility districts created under Section 59,
1-40 Article XVI, Texas Constitution.

1-41 Sec. 8110.052. ROAD PROJECTS. The district may construct,
1-42 acquire, improve, maintain, or operate macadamized, graveled, or
1-43 paved roads or turnpikes, or improvements in aid of those roads or
1-44 turnpikes, inside or outside the district.

1-45 Sec. 8110.053. ROAD CONTRACTS. The district may contract
1-46 for a road project in the same manner as provided by Subchapter I,
1-47 Chapter 49, Water Code.

1-48 Sec. 8110.054. CERTIFICATE OF CONVENIENCE AND NECESSITY.

1-49 (a) The district may pay out of bond proceeds or other available
1-50 district money all expenses, including legal, engineering, and
1-51 other fees, related to obtaining a new certificate of convenience
1-52 and necessity under Chapter 13, Water Code, authorizing the
1-53 district to provide retail water or sewer service inside or outside
1-54 the district.

1-55 (b) The district may pay out of bond proceeds or other
1-56 available district money all expenses, including the purchase
1-57 price, related to acquiring certificate of convenience and
1-58 necessity rights from another retail public utility to allow the
1-59 district to provide retail water or sewer service in the district.

1-60 Sec. 8110.055. CONTRACT WITH POLITICAL SUBDIVISION FOR
1-61 WATER OR SEWER SERVICES. (a) The district may enter into a
1-62 contract to allow a political subdivision to provide retail water
1-63 or sewer service in the district. The contract may contain terms
1-64 the board considers desirable, fair, and advantageous to the

2-1 district.

2-2 (b) The contract may provide that the district will
 2-3 construct or acquire and convey to the political subdivision a
 2-4 water supply or treatment system, a water distribution system, or a
 2-5 sanitary sewage collection or treatment system, as necessary to
 2-6 provide water or sewer service in the district.

2-7 (c) The district may use bond proceeds or other available
 2-8 district money to pay for its obligations and for services and
 2-9 facilities provided under the contract.

2-10 (d) If the contract requires the district to make payments
 2-11 from taxes other than operation and maintenance taxes, the contract
 2-12 is subject to Section 49.108, Water Code.

2-13 [Sections 8110.056-8110.100 reserved for expansion]

2-14 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

2-15 Sec. 8110.101. OPERATION AND MAINTENANCE TAX. (a) The
 2-16 district may impose a tax for any district operation and
 2-17 maintenance purpose in the manner provided by Section 49.107, Water
 2-18 Code.

2-19 (b) Section 49.107(f), Water Code, does not apply to
 2-20 reimbursements for projects constructed or acquired under Section
 2-21 8110.052.

2-22 Sec. 8110.102. TAX TO REPAY BONDS. The district may impose
 2-23 a tax to pay the principal of and interest on bonds issued under
 2-24 Section 8110.151.

2-25 Sec. 8110.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
 2-26 ASSESSMENTS. The district may not impose an impact fee or
 2-27 assessment on the property, including the equipment,
 2-28 rights-of-way, facilities, or improvements, of:

2-29 (1) an electric utility or a power generation company
 2-30 as defined by Section 31.002, Utilities Code;

2-31 (2) a gas utility as defined by Section 101.003 or
 2-32 121.001, Utilities Code;

2-33 (3) a telecommunications provider as defined by
 2-34 Section 51.002, Utilities Code;

2-35 (4) a cable operator, as defined by 47 U.S.C. Section
 2-36 522; or

2-37 (5) a person who provides to the public advanced
 2-38 telecommunications services.

2-39 [Sections 8110.104-8110.150 reserved for expansion]

2-40 SUBCHAPTER D. BONDS

2-41 Sec. 8110.151. AUTHORITY TO ISSUE BONDS AND OTHER
 2-42 OBLIGATIONS. (a) In addition to the general authority to issue
 2-43 bonds under Chapters 49 and 54, Water Code, the district may issue
 2-44 bonds or other obligations as provided by Chapters 49 and 54, Water
 2-45 Code, to finance the construction, maintenance, or operation of
 2-46 projects under Section 8110.052.

2-47 (b) The district may issue bonds or other obligations
 2-48 payable wholly or partly from ad valorem taxes, impact fees,
 2-49 revenue, grants, or other district money or any combination of
 2-50 those sources.

2-51 (c) The district may not issue bonds or other obligations
 2-52 secured wholly or partly by ad valorem taxation to finance projects
 2-53 authorized by Section 8110.052 unless the issuance is approved by a
 2-54 vote of a two-thirds majority of the voters of the district voting
 2-55 at an election called for that purpose.

2-56 (d) Bonds or other obligations issued or incurred to finance
 2-57 projects authorized by Section 8110.052 may not exceed one-fourth
 2-58 of the assessed value of the real property in the district.

2-59 (e) Sections 49.181 and 49.182, Water Code, do not apply to
 2-60 a project undertaken by the district under Section 8110.052 or to
 2-61 bonds issued by the district to finance the project.

2-62 SECTION 3. (a) The following are validated and confirmed in
 2-63 all respects:

2-64 (1) the creation of the Verandah Fresh Water Supply
 2-65 District of Hunt County and all proceedings related to the creation
 2-66 of the district, effective as of the date on which the creation or
 2-67 related proceedings occurred; and

2-68 (2) any act or proceeding of the district, including
 2-69 an election, not excepted by this section and taken not more than

3-1 three years before the effective date of this Act, effective as of
3-2 the date on which the act or proceeding occurred.

3-3 (b) This section does not apply to:

3-4 (1) an act, proceeding, director, other official,
3-5 bond, or other obligation the validity of which or of whom is the
3-6 subject of litigation that is pending on the effective date of this
3-7 Act; or

3-8 (2) an act or proceeding that, under a statute of this
3-9 state or the United States, was a misdemeanor or felony at the time
3-10 the act or proceeding occurred.

3-11 SECTION 4. (a) The legal notice of the intention to
3-12 introduce this Act, setting forth the general substance of this
3-13 Act, has been published as provided by law, and the notice and a
3-14 copy of this Act have been furnished to all persons, agencies,
3-15 officials, or entities to which they are required to be furnished
3-16 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-17 Government Code.

3-18 (b) The governor, one of the required recipients, has
3-19 submitted the notice and Act to the Texas Commission on
3-20 Environmental Quality.

3-21 (c) The Texas Commission on Environmental Quality has filed
3-22 its recommendations relating to this Act with the governor, the
3-23 lieutenant governor, and the speaker of the house of
3-24 representatives within the required time.

3-25 (d) All requirements of the constitution and laws of this
3-26 state and the rules and procedures of the legislature with respect
3-27 to the notice, introduction, and passage of this Act are fulfilled
3-28 and accomplished.

3-29 SECTION 5. This Act takes effect immediately if it receives
3-30 a vote of two-thirds of all the members elected to each house, as
3-31 provided by Section 39, Article III, Texas Constitution. If this
3-32 Act does not receive the vote necessary for immediate effect, this
3-33 Act takes effect September 1, 2005.

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