

By: Deuell

S.B. No. 514

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. The legislature finds that development or  
13 redevelopment in the area in the district would not occur solely  
14 through private investment in the reasonably foreseeable future and  
15 that the area in the district:

16 (1) is unproductive, underdeveloped, or blighted;

17 (2) substantially arrests and impairs the sound growth  
18 of Hunt County because of:

19 (A) obsolete platting;

20 (B) deterioration of structures or site  
21 improvements; or

22 (C) other factors;

23 (3) retards the provision of housing accommodations;

24 (4) is an economic and social liability;

1           (5) is a menace to the public health, safety, morals,  
2 and welfare in its present condition and use; and

3           (6) is predominantly open.

4           SECTION 3. Subtitle F, Title 6, Special District Local Laws  
5 Code, is amended by adding Chapter 8110 to read as follows:

6           CHAPTER 8110. VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

7                   SUBCHAPTER A. GENERAL PROVISIONS

8           Sec. 8110.001. DEFINITIONS. In this chapter:

9                   (1) "Board" means the board of directors of the  
10 district.

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

12                   (3) "District" means the Verandah Municipal Utility  
13 District of Hunt County.

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

16                   (b) The district is essential to accomplish the purposes of  
17 Section 52, Article III, Section 1-g, Article VIII, and Section 59,  
18 Article XVI, Texas Constitution, and will serve a public use and  
19 benefit.

20           Sec. 8110.003. APPLICABILITY OF OTHER LAW. (a) Except as  
21 otherwise provided by this chapter, all applicable laws, including  
22 the following laws, apply to the district:

23                   (1) Chapters 49 and 54, Water Code; and

24                   (2) Chapter 257, Transportation Code, and other  
25 general laws applicable to road districts created under Section 52,  
26 Article III, Texas Constitution, to the extent those provisions can  
27 apply to the district.

1       (b) If a provision of general law relating to road districts  
2 is in conflict or inconsistent with this chapter or Chapter 49 or  
3 54, Water Code, this chapter and Chapters 49 and 54, Water Code,  
4 prevail.

5       Sec. 8110.004. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT.

6 A county in which the district is located or a municipality in whose  
7 extraterritorial jurisdiction the district is located may not adopt  
8 an ordinance or resolution or take any other action that:

9           (1) impairs the ability of the district to exercise  
10 its powers under this chapter or other law; or

11           (2) limits the ability of the district to finance,  
12 construct, or operate its water, wastewater, drainage, or road  
13 systems.

14       [Sections 8110.005-8110.050 reserved for expansion]

15           SUBCHAPTER B. POWERS AND DUTIES

16       Sec. 8110.051. ROAD PROJECTS. (a) The district may  
17 construct, acquire, improve, maintain, or operate macadamized,  
18 graveled, paved, or concreted streets, roads, or turnpikes, or  
19 improvements in aid of those streets, roads, or turnpikes,  
20 including bridges, inside or outside the district.

21           (b) The improvements may include drainage or landscaping  
22 improvements, lights, signs, signals, sidewalks, or hiking or  
23 biking trails that are incidental to the roads or turnpikes and  
24 their construction, maintenance, or operation.

25           (c) The district may, following approval of a construction  
26 contract by the board, reimburse expenditures as provided by  
27 Sections 257.003(a) and (b), Transportation Code, without any

1 additional approval under Section 257.003, Transportation Code.

2 Sec. 8110.052. JOINT ROAD PROJECTS. A district contract  
3 for a joint project with a state agency, a political subdivision, or  
4 a corporation created under Chapter 431, Transportation Code, may:

5 (1) provide for joint payment of project costs; or

6 (2) require the state agency or political subdivision  
7 to design, construct, or improve a project, including landscaping  
8 for the project, as provided by the contract.

9 Sec. 8110.053. ROAD CONTRACTS. The district may contract  
10 for a road project in the same manner as a road district under  
11 Chapter 257, Transportation Code, except that competitive bidding  
12 for a contract is governed by Subchapter I, Chapter 49, Water Code.

13 Sec. 8110.054. CERTIFICATE OF CONVENIENCE AND NECESSITY.

14 (a) The district may pay out of bond proceeds or other available  
15 district money all expenses, including legal, engineering, and  
16 other fees, related to obtaining a new certificate of convenience  
17 and necessity under Chapter 13, Water Code, authorizing the  
18 district to provide retail water or sewer service inside or outside  
19 the district.

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

25 Sec. 8110.055. CONTRACT WITH POLITICAL SUBDIVISION FOR  
26 WATER OR SEWER SERVICES. (a) The district may enter into a  
27 contract to allow a political subdivision to provide retail water

1 or sewer service in the district. The contract may contain terms  
2 the board considers desirable, fair, and advantageous to the  
3 district.

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

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

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

15 Sec. 8110.056. EMINENT DOMAIN. The district may acquire by  
16 condemnation any land, easements, or other property, inside or  
17 outside the district boundaries, for any district project or  
18 purpose.

19 Sec. 8110.057. TAX INCREMENT FINANCING POWERS. (a) Without  
20 further authorization or procedural requirement, the district is a  
21 tax increment reinvestment zone under Chapter 311, Tax Code.

22 (b) The district has all powers provided under Chapter 311,  
23 Tax Code.

24 (c) The district may enter into an interlocal agreement with  
25 any overlapping taxing unit for the payment of all or a portion of  
26 the tax increment of the unit to the district. The overlapping  
27 taxing unit may enter into the agreement. The agreement may provide

1 that the overlapping taxing unit will pay a different portion or  
2 none of its tax increment relating to property used for commercial  
3 purposes.

4 (d) The base year value of the district, for tax increment  
5 financing purposes, is the value as of January 1, 2004, of all  
6 taxable real property in the district as shown on the certified tax  
7 rolls of the central appraisal district.

8 [Sections 8110.058-8110.100 reserved for expansion]

9 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

10 Sec. 8110.101. OPERATION AND MAINTENANCE TAX. (a) The  
11 district may impose a tax for any district operation and  
12 maintenance purpose in the manner provided by Section 49.107, Water  
13 Code.

14 (b) Section 49.107(f), Water Code, does not apply to  
15 reimbursements for projects constructed or acquired under Section  
16 8110.051.

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

20 [Sections 8110.103-8110.150 reserved for expansion]

21 SUBCHAPTER D. BONDS

22 Sec. 8110.151. AUTHORITY TO ISSUE BONDS AND OTHER  
23 OBLIGATIONS; TAX. (a) In addition to the general authority to  
24 issue bonds under Chapters 49 and 54, Water Code, the district may  
25 issue bonds or other obligations as provided by Chapters 49 and 54,  
26 Water Code, to finance the construction, maintenance, or operation  
27 of projects under Section 8110.051 or 8110.052.

1       (b) The district may issue bonds or other obligations  
2 payable wholly or partly from ad valorem taxes, impact fees,  
3 revenue, grants, or other district money or any combination of  
4 those sources.

5       (c) The district may not issue bonds or other obligations  
6 secured wholly or partly by ad valorem taxation to finance projects  
7 authorized by Section 8110.051 or 8110.052 unless the issuance is  
8 approved by a vote of a two-thirds majority of the voters of the  
9 district voting at an election called for that purpose.

10       (d) Bonds or other obligations issued or incurred to finance  
11 projects authorized by Section 8110.051 or 8110.052 may not exceed  
12 one-fourth of the assessed value of the real property in the  
13 district.

14       (e) Sections 49.181 and 49.182, Water Code, do not apply to  
15 a project undertaken by the district under Section 8110.051 or  
16 8110.052 or to bonds issued by the district to finance the project.

17       [Sections 8110.152-8110.200 reserved for expansion]

18       SECTION 4. (a) The following are validated and confirmed in  
19 all respects:

20               (1) the creation of the Verandah Fresh Water Supply  
21 District of Hunt County and all proceedings related to the creation  
22 of the district, effective as of the date on which the creation or  
23 related proceedings occurred; and

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

1 (b) This section does not apply to:

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

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

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

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

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

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

27 SECTION 6. This Act takes effect immediately if it receives



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1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2005.