

1-1 By: Deuell S.B. No. 514
1-2 (In the Senate - Filed February 15, 2005; February 28, 2005,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 12, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 April 12, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 514 By: Deuell

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the conversion of the Verandah Fresh Water Supply
1-11 District of Hunt County to a municipal utility district; providing
1-12 authority to impose a tax and issue bonds; granting the power of
1-13 eminent domain.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. The Verandah Fresh Water Supply District of Hunt
1-16 County is converted to the Verandah Municipal Utility District of
1-17 Hunt County. Section 54.034, Water Code, applies to the district in
1-18 the same manner as a district converted under Sections 54.030
1-19 through 54.033, Water Code.

1-20 SECTION 2. Subtitle F, Title 6, Special District Local Laws
1-21 Code, is amended by adding Chapter 8110 to read as follows:

1-22 CHAPTER 8110. VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY

1-23 SUBCHAPTER A. GENERAL PROVISIONS

1-24 Sec. 8110.001. DEFINITIONS. In this chapter:

1-25 (1) "Board" means the board of directors of the
1-26 district.

1-27 (2) "Director" means a member of the board.

1-28 (3) "District" means the Verandah Municipal Utility
1-29 District of Hunt County.

1-30 Sec. 8110.002. NATURE OF DISTRICT. (a) The district is a
1-31 municipal utility district with road district powers.

1-32 (b) The district is essential to accomplish the purposes of
1-33 Section 52, Article III, and Section 59, Article XVI, Texas
1-34 Constitution, and will serve a public use and benefit.

1-35 Sec. 8110.003. APPLICABILITY OF OTHER LAW. (a) Except as
1-36 otherwise provided by this chapter, all applicable laws, including
1-37 the following laws, apply to the district:

1-38 (1) Chapters 49 and 54, Water Code; and

1-39 (2) general laws applicable to road districts created
1-40 under Section 52, Article III, Texas Constitution, to the extent
1-41 those provisions can apply to the district.

1-42 (b) If a provision of general law relating to road districts
1-43 is in conflict or inconsistent with this chapter or Chapter 49 or
1-44 54, Water Code, this chapter and Chapters 49 and 54, Water Code,
1-45 prevail.

1-46 [Sections 8110.004-8110.050 reserved for expansion]

1-47 SUBCHAPTER B. POWERS AND DUTIES

1-48 Sec. 8110.051. ROAD PROJECTS. (a) The district may
1-49 construct, acquire, improve, maintain, or operate macadamized,
1-50 graveled, paved, or concreted streets or roads, or improvements in
1-51 aid of those streets or roads, including bridges, inside or outside
1-52 the district.

1-53 (b) The improvements may include drainage or landscaping
1-54 improvements, lights, signs, signals, sidewalks, or hiking or
1-55 biking trails that are incidental to the roads and their
1-56 construction, maintenance, or operation.

1-57 (c) The district may, following approval of a construction
1-58 contract by the board, reimburse expenditures without obtaining
1-59 approval from the county.

1-60 (d) For purposes of this chapter, a project under Section
1-61 49.222, Water Code, includes a road project.

1-62 Sec. 8110.052. ROAD CONTRACTS. The district may contract
1-63 for a road project in the same manner as a road district, except

2-1 that competitive bidding for a contract is governed by Subchapter
2-2 I, Chapter 49, Water Code.

2-3 Sec. 8110.053. CERTIFICATE OF CONVENIENCE AND NECESSITY.

2-4 (a) The district may pay out of bond proceeds or other available
2-5 district money all expenses, including legal, engineering, and
2-6 other fees, related to obtaining a new certificate of convenience
2-7 and necessity under Chapter 13, Water Code, authorizing the
2-8 district to provide retail water or sewer service inside or outside
2-9 the district.

2-10 (b) The district may pay out of bond proceeds or other
2-11 available district money all expenses, including the purchase
2-12 price, related to acquiring certificate of convenience and
2-13 necessity rights from another retail public utility to allow the
2-14 district to provide retail water or sewer service in the district.

2-15 Sec. 8110.054. CONTRACT WITH POLITICAL SUBDIVISION FOR
2-16 WATER OR SEWER SERVICES. (a) The district may enter into a

2-17 contract to allow a political subdivision to provide retail water
2-18 or sewer service in the district. The contract may contain terms
2-19 the board considers desirable, fair, and advantageous to the
2-20 district.

2-21 (b) The contract may provide that the district will
2-22 construct or acquire and convey to the political subdivision a
2-23 water supply or treatment system, a water distribution system, or a
2-24 sanitary sewage collection or treatment system, as necessary to
2-25 provide water or sewer service in the district.

2-26 (c) The district may use bond proceeds or other available
2-27 district money to pay for its obligations and for services and
2-28 facilities provided under the contract.

2-29 (d) If the contract requires the district to make payments
2-30 from taxes other than operation and maintenance taxes, the contract
2-31 is subject to Section 49.108, Water Code.

2-32 [Sections 8110.055-8110.100 reserved for expansion]

2-33 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

2-34 Sec. 8110.101. OPERATION AND MAINTENANCE TAX. (a) The
2-35 district may impose a tax for any district operation and
2-36 maintenance purpose in the manner provided by Section 49.107, Water
2-37 Code.

2-38 (b) Section 49.107(f), Water Code, does not apply to
2-39 reimbursements for projects constructed or acquired under Section
2-40 8110.051.

2-41 Sec. 8110.102. TAX TO REPAY BONDS. The district may impose
2-42 a tax to pay the principal of and interest on bonds issued under
2-43 Section 8110.151.

2-44 Sec. 8110.103. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
2-45 ASSESSMENTS. The district may not impose an impact fee or
2-46 assessment on the property, including the equipment,
2-47 rights-of-way, facilities, or improvements, of:

2-48 (1) an electric utility or a power generation company
2-49 as defined by Section 31.002, Utilities Code;

2-50 (2) a gas utility as defined by Section 101.003 or
2-51 121.001, Utilities Code;

2-52 (3) a telecommunications provider as defined by
2-53 Section 51.002, Utilities Code;

2-54 (4) a cable operator, as defined by 47 U.S.C. Section
2-55 522; or

2-56 (5) a person who provides to the public advanced
2-57 telecommunications services.

2-58 [Sections 8110.104-8110.150 reserved for expansion]

2-59 SUBCHAPTER D. BONDS

2-60 Sec. 8110.151. AUTHORITY TO ISSUE BONDS AND OTHER
2-61 OBLIGATIONS. (a) In addition to the general authority to issue
2-62 bonds under Chapters 49 and 54, Water Code, the district may issue
2-63 bonds or other obligations as provided by Chapters 49 and 54, Water
2-64 Code, to finance the construction, maintenance, or operation of
2-65 projects under Section 8110.051.

2-66 (b) The district may issue bonds or other obligations
2-67 payable wholly or partly from ad valorem taxes, impact fees,
2-68 revenue, grants, or other district money or any combination of
2-69 those sources.

3-1 (c) The district may not issue bonds or other obligations
3-2 secured wholly or partly by ad valorem taxation to finance projects
3-3 authorized by Section 8110.051 unless the issuance is approved by a
3-4 vote of a two-thirds majority of the voters of the district voting
3-5 at an election called for that purpose.

3-6 (d) Bonds or other obligations issued or incurred to finance
3-7 projects authorized by Section 8110.051 may not exceed one-fourth
3-8 of the assessed value of the real property in the district.

3-9 (e) Sections 49.181 and 49.182, Water Code, do not apply to
3-10 a project undertaken by the district under Section 8110.051 or to
3-11 bonds issued by the district to finance the project.

3-12 SECTION 3. (a) The following are validated and confirmed
3-13 in all respects:

3-14 (1) the creation of the Verandah Fresh Water Supply
3-15 District of Hunt County and all proceedings related to the creation
3-16 of the district, effective as of the date on which the creation or
3-17 related proceedings occurred; and

3-18 (2) any act or proceeding of the district, including
3-19 an election, not excepted by this section and taken not more than
3-20 three years before the effective date of this Act, effective as of
3-21 the date on which the act or proceeding occurred.

3-22 (b) This section does not apply to:

3-23 (1) an act, proceeding, director, other official,
3-24 bond, or other obligation the validity of which or of whom is the
3-25 subject of litigation that is pending on the effective date of this
3-26 Act; or

3-27 (2) an act or proceeding that, under a statute of this
3-28 state or the United States, was a misdemeanor or felony at the time
3-29 the act or proceeding occurred.

3-30 SECTION 4. (a) The legal notice of the intention to
3-31 introduce this Act, setting forth the general substance of this
3-32 Act, has been published as provided by law, and the notice and a
3-33 copy of this Act have been furnished to all persons, agencies,
3-34 officials, or entities to which they are required to be furnished
3-35 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-36 Government Code.

3-37 (b) The governor, one of the required recipients, has
3-38 submitted the notice and Act to the Texas Commission on
3-39 Environmental Quality.

3-40 (c) The Texas Commission on Environmental Quality has filed
3-41 its recommendations relating to this Act with the governor, the
3-42 lieutenant governor, and the speaker of the house of
3-43 representatives within the required time.

3-44 (d) All requirements of the constitution and laws of this
3-45 state and the rules and procedures of the legislature with respect
3-46 to the notice, introduction, and passage of this Act are fulfilled
3-47 and accomplished.

3-48 SECTION 5. This Act takes effect immediately if it receives
3-49 a vote of two-thirds of all the members elected to each house, as
3-50 provided by Section 39, Article III, Texas Constitution. If this
3-51 Act does not receive the vote necessary for immediate effect, this
3-52 Act takes effect September 1, 2005.

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