

1-1 By: Carona S.B. No. 1660
1-2 (In the Senate - Filed March 11, 2005; March 30, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 25, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 25, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1660 By: Gallegos
1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the assumption of road district powers and duties by
1-11 certain municipal utility districts; authorizing bonds.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Chapter 54, Water Code, is amended by adding
1-14 Subchapter I to read as follows:

1-15 SUBCHAPTER I. ROAD DISTRICT POWERS AND DUTIES

1-16 Sec. 54.771. APPLICABILITY. This subchapter does not apply
1-17 to a district located in a county that:

1-18 (1) has a population of 3.3 million or more; or

1-19 (2) is adjacent to a county that has a population of
1-20 3.3 million or more.

1-21 Sec. 54.772. AUTHORITY; ELECTION TO ASSUME ROAD DISTRICT
1-22 POWERS. (a) A board may order an election to be held in a district
1-23 to determine whether the district assumes the powers and duties of a
1-24 road district under Section 52(b)(3), Article III, Texas
1-25 Constitution.

1-26 (b) The ballot for the election must be printed to provide
1-27 for voting for or against the assumption by the district of the
1-28 powers and duties of a road district under Section 52(b)(3),
1-29 Article III, Texas Constitution.

1-30 (c) If a majority of the persons voting in the election vote
1-31 in favor of the proposition, the district assumes the powers and
1-32 duties of a road district operating under:

1-33 (1) Section 52(b)(3), Article III, Texas
1-34 Constitution; and

1-35 (2) other general law of this state applicable to road
1-36 districts.

1-37 Sec. 54.773. BONDS; ELECTION. (a) A district that has
1-38 assumed road district powers under this subchapter may not issue
1-39 bonds or otherwise lend its credit for road district purposes
1-40 except on approval of two-thirds or more of the voters of the
1-41 district voting at an election held for that purpose.

1-42 (b) The total amount of bonds and other obligations of the
1-43 district issued or incurred under this section may not exceed
1-44 one-fourth of the assessed valuation of real property in the
1-45 district.

1-46 (c) The attorney general may approve the bonds under Section
1-47 49.184 only if the bonds meet the requirements of Section 54.774.

1-48 Sec. 54.774. LIMITATION ON ISSUANCE OF BONDS. (a) A
1-49 district that has assumed road district powers under this
1-50 subchapter may issue bonds for road district purposes only if the
1-51 combined projected tax rate for the district does not exceed \$1.50
1-52 per \$100 of taxable value and the combined no-growth tax rate for
1-53 the district does not exceed \$2.50 per \$100 of taxable value.

1-54 (b) In this section:

1-55 (1) "Combined projected tax rate" means the sum of:

1-56 (A) the district's projected debt service tax
1-57 rate;

1-58 (B) the projected debt service tax rate of all
1-59 overlapping political subdivisions that is specifically
1-60 attributable to water, wastewater, drainage, or roads;

1-61 (C) an equivalent surcharge tax rate for any
1-62 water or wastewater surcharge paid by the district;

1-63 (D) any municipal tax rate, other than the

2-1 municipality's debt service tax rate, specifically attributable to
2-2 water, wastewater, or drainage;

2-3 (E) any current or proposed maintenance tax rate
2-4 of the district or an overlapping political subdivision; and

2-5 (F) any contract tax rate, less any equivalent
2-6 tax rebate or other payment.

2-7 (2) "Combined no-growth tax rate" means the sum of:
2-8 (A) the district's no-growth debt service tax
2-9 rate;

2-10 (B) the no-growth debt service tax rate of all
2-11 overlapping political subdivisions that is specifically
2-12 attributable to water, wastewater, drainage, or roads;

2-13 (C) an equivalent surcharge tax rate for any
2-14 water or wastewater surcharge paid by the district;

2-15 (D) any municipal tax rate, other than the
2-16 municipality's debt service tax rate, specifically attributable to
2-17 water, wastewater, or drainage;

2-18 (E) any current or proposed maintenance tax rate
2-19 of the district or an overlapping political subdivision; and

2-20 (F) any contract tax rate, less any equivalent
2-21 tax rebate or other payment.

2-22 (3) "No-growth debt service tax rate" means a debt
2-23 service tax rate for future years calculated based on the
2-24 applicable current taxable valuation.

2-25 (4) "Projected debt service tax rate" means a debt
2-26 service tax rate for future years calculated based on the
2-27 applicable projected taxable valuation for each year.

2-28 (c) The calculation of tax rates under this section, other
2-29 than projected tax rates, must be based on the most recent taxable
2-30 values certified by the appropriate appraisal district. The
2-31 calculation of projected tax rates must be based on projected
2-32 increases in those taxable values.

2-33 Sec. 54.775. REIMBURSEMENT OF CONSTRUCTION CONTRACT
2-34 EXPENSES. A district that has assumed road district powers under
2-35 this subchapter may, following approval of a construction contract
2-36 by the board, reimburse expenditures without obtaining any
2-37 additional approval.

2-38 Sec. 54.776. MAINTENANCE OF ROADS. A district that has
2-39 assumed road district powers under this subchapter shall maintain
2-40 all roads constructed or purchased by the district unless the
2-41 county or another political subdivision assumes responsibility for
2-42 maintaining the roads.

2-43 Sec. 54.777. APPLICABILITY OF OTHER LAW. Sections 49.181
2-44 and 49.182 do not apply to a road project undertaken by the district
2-45 or to bonds issued by the district to finance the project.

2-46 SECTION 2. This Act takes effect immediately if it receives
2-47 a vote of two-thirds of all the members elected to each house, as
2-48 provided by Section 39, Article III, Texas Constitution. If this
2-49 Act does not receive the vote necessary for immediate effect, this
2-50 Act takes effect September 1, 2005.

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