

BILL ANALYSIS

C.S.H.B. 1918
By: Rodriguez
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Travis-Creedmoor Municipal Utility District (district) will encompass an area of land inside of the corporate limits of the Village of Creedmoor which currently does not provide water and wastewater services. The district is subject to a confirmation election. The land to be located within the district will be developed into commercial, industrial and residential developments; therefore, water, sewer and drainage services need to be secured. It is necessary to create the district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services needed to serve the current and future occupants of the land utilizing tax exempt bonds. C.S.H.B.1918 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1.

SUBCHAPTER A.

DEFINITIONS. Defines board, director, and district.

NATURE OF DISTRICT. Travis-Creedmoor Municipal Utility District is created as a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

CONFIRMATION ELECTION REQUIRED. The board shall hold an election to confirm the creation of the district.

FINDING OF BENEFIT AND PUBLIC PURPOSE. Provides that all of the land and other property included within the boundaries of the district will be benefited by the works and projects that are to be accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution. Provides that the district is created to serve a public use and benefit.

INITIAL DISTRICT TERRITORY. Sets forth the boundaries of the district as described in Section 2 of this Act.

SUBCHAPTER B.

DIRECTORS; TERMS. Sets forth regulations regarding the board of directors of the district (board).

ELECTION OF DIRECTORS. Sets forth regulations regarding the election of directors. Provides that the district is composed of a five-member board of directors.

INITIAL DIRECTORS. Sets forth the composition of the initial board of directors and initial directors election.

SUBCHAPTER C.

GENERAL POWERS AND DUTIES. Provides the district with the powers and duties necessary to accomplish the purposes for which the district is created.

MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has all the rights, powers, privileges, authority, functions, and duties provided under general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

ROAD PROJECTS. As authorized by Section 52, Article III, Texas Constitution, the district has the authority to construct, acquire, improve, maintain, or operate arterials or main feeder roads or improvements in aid of those roads that meet all applicable construction standards.

COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable regulatory requirements by the governing body of where the district is located.

SUBCHAPTER D.

ELECTIONS REGARDING TAXES OR BONDS. Provides that the district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any other source other than ad valorem taxation. Provides that the district must hold an election as provided by Chapters 49 and 54 of the Water Code to obtain voter approval before the district may impose an operation and maintenance tax or issue bonds payable from ad valorem taxes on the approval of a majority of the residents voting in an election within the district.

OPERATION AND MAINTENANCE TAX. Provides that a new district may levy a maintenance tax on the approval of a majority of the residents voting in an election called and held for that purpose.

SUBCHAPTER E.

AUTHORITY OF ISSUE BONDS AND OTHER OBLIGATIONS. Provides that a new district may issue bonds payable from ad valorem taxes. Sets forth restrictions to the district on the issuance of bonds to finance road projects unless the issuance is approved by a two-thirds majority of district voters and bonds or other obligations may not exceed one-fourth of the assessed value of the real property in the district for finance projects.

TAXES FOR BONDS. Provides requirements for the payment of interest and principal on bonds.

SECTION 2. Sets forth the initial boundaries of the Travis-Creedmoor Municipal Utility District.

SECTION 3. Sets forth the requirement for the legal published notice of the intention to introduce this Act to all persons, agencies, officials, or entities as required under Section 59, Article XVI, Texas Constitution and Chapter 313.

SECTION 4. EFFECTIVE DATE.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute deletes Tract 8 and appropriately re-numbers remaining tracts.