

BILL ANALYSIS

C.S.H.B. 3984
By: Phillips
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Double Platinum Ranch Water Control and Improvement District No. 1 of Grayson County (the district) will encompass an area of land inside the corporate limits or extraterritorial jurisdiction of the City of Gunter, Texas. The land to be located within the district will be developed into single family residential and commercial development; therefore, water, sewer, drainage and road services need to be secured. It is necessary to create the district under Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. It is also necessary to empower the district with authority to impose a tax and issue bonds. C.S.H.B. 3984 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. Adds Chapter 9206 to Subtitle I, Title 6, Special District Local Laws Code, to read as follows:

CHAPTER 9206. DOUBLE PLATINUM RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF GRAYSON COUNTY.

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9206.001. DEFINITIONS. Defines "Board," "Director," and "District."

Sec. 9206.002. NATURE OF DISTRICT. Provides that the district is a water control and improvement district in Grayson County created under and essential to accomplish the purposes of Section 59, Article XVI Texas Constitution.

Sec. 9206.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 9206.064 before September 1, 2011, (1) the district is dissolved September 1, 2011, except that: (A) any debts incurred shall be paid; (B) any assets that remain after the payment of debts shall be transferred to Grayson County; and (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and (2) this chapter expires September 1, 2014.

Sec. 9206.004. INITIAL DISTRICT TERRITORY. Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect: (1) the organization, existence, or validity of the district; (2) the right of the district to impose taxes; (3) the validity of the district's bonds, notes, or indebtedness; or (4) the legality or operation of the district or the board.

Sec. 9206.005. ANNEXATION BY CITY OF GUNTER. Provides that (a) notwithstanding any other law, if all of the territory of the district is annexed by the City of Gunter into the corporate

limits of that municipality before the date of the election held to confirm the creation of the district, the district may not be dissolved and shall continue until the district is dissolved under section 43.074, Local Government Code; and (b) any future annexation or inclusion of additional territory into a district governed by this chapter may not occur unless the City of Gunter is allowed to voluntarily annex the same territory into its corporate limits.

[Sections 9206.006-9206.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9206.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors. Provides that, except as provided by Section 9206.061 of this code and Section 49.102, Water Code, directors serve staggered four-year terms, with the terms of two or three directors expiring June 1 of each even-numbered year.

Sec. 9206.052. ELECTION OF DIRECTORS. Provides that, on the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

[Sections 9206.053-9206.060 reserved for expansion]

SUBCHAPTER B-1. TEMPORARY PROVISIONS.

Sec. 9206.061. INITIAL DIRECTORS. Provides that on or after September 1, 2007, a person who owns land in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the Commission appoint as initial directors the five persons named in the petition. Provides that the commission shall appoint as initial directors the five persons named in the first petition received by the commission under this Subsection (a). Provides that if an initial director fails to qualify for office, the commission shall appoint a person to fill the vacancy. Provides that initial directors will serve until the earlier of the date directors are elected under Section 9206.064 or the date this subchapter expires under Section 9206.066.

Sec. 9206.062. ORGANIZATIONAL MEETING OF INITIAL DIRECTORS. Provides that as soon as practicable after all the initial directors have qualified under Section 49.055, Water Code, the initial directors shall meet at a location in the district agreeable to a majority of the directors. At the meeting, the initial directors shall elect officers from among the initial directors and conduct any other district business.

Sec. 9206.063. CONSENT OF MUNICIPALITY REQUIRED. Provides that the initial directors may not hold an election under Section 9206.064 until all of the territory of the district is included in the corporate limits of the City of Gunter.

Sec. 9206.064. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Provides that the initial directors of the district shall hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102, Water Code.

Sec. 9206.065 INITIAL ELECTED DIRECTORS; TERMS. Provides that the directors elected under Section 9206.064 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors and which three shall serve until the second regularly scheduled election of directors.

Sec. 9206.066. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2014.

[Sections 9206.067-9206.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES.

Sec. 9206.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. Provides that (a) the district has the powers and duties provided by the general law of this state, including Chapters 49 and 51, Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution; (b)

notwithstanding subsection (a), the district may not act as a retail provider of water or wastewater services; and (c) that the district shall make its water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

Sec. 9206.102. ROAD PROJECTS. Provides that to the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district. Provides that a road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. Provides that, if a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall (1) improve, maintain, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and (2) pay the entire cost of performing the district's duties under subdivision (1).

Sec. 9206.103 DIVISION OF DISTRICT. The district may be divided into two (2) new districts only if the district (1) has no outstanding bonded debt; (2) is not imposing ad valorem taxes; and (3) each new district is within the corporate limits of the City of Gunter. Provides that the division procedure is prescribed in Sections 53.030 through 53.041, Water Code. Sections 51.748 through 51.753, Water Code, do not apply to the district. Provides that any new district created by the division of the district has all the powers and duties of the district. At the time of creation, any new district created by the division of the district may not contain any land outside the area described by Section 2 of the Act creating this chapter.

[Sections 9206.104-9206.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9206.151 TAX TO REPAY BONDS. Provides that the district may impose a tax to pay the principal of or interest on bonds issued under Section 9206.201.

[Sections 9206.152-9206.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9206.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Provides that the district may issue bonds or other obligations as provided by chapters 49 and 51, Water Code, to finance the construction, maintenance, or operation of projects under Sections 9206.101 and 9206.102. Provides that the district may not issue bonds to finance projects authorized by Section 9206.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose. Provides that bonds or other obligations issued or incurred to finance projects authorized by Section 9206.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. Sets forth the boundaries of the District.

SECTION 3. Provides that proper and legal notice setting forth the general substance of this Act has been published as provided by law. Provides that the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code. Provides that the Governor has submitted the notice and Act to the Texas Commission on Environmental Quality. Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the Governor, Lieutenant Governor, and Speaker of the House of Representatives within the required time. Provides that all requirements of the Constitution and laws of this State and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 4. EFFECTIVE DATE: September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3984 is a Legislative Council draft that contains wording and formatting variations. C.S.H.B. 3984 also places the Act in the Special District Local Laws Code adding appropriate chapter and section references.

C.S.H.B. 3984 provides that except as provided by Section 9206.061 of this code and Section 49.102, Water Code, directors serve staggered four-year terms, with the terms of two or three directors expiring June 1 of each even-numbered year. The introduced version does not reference the terms of two or three directors expiring June 1 of each even-numbered year.

C.S.H.B. 3984 amends Section 9206.101 by designating the filed section as (a) and by removing the words “including Section 51.331, Water Code.” The substitute adds subsection (b) which provides that notwithstanding Subsection (a), the district may not act as a retail provider of water or wastewater services. The substitute also adds subsection (c) which provides that the district shall make its water and wastewater facilities available to an entity holding the applicable certificate of convenience and necessity.

C.S.H.B. 3984 adds subsection (c) to Section 9206.102, which provides that, if a portion of the territory of the district is excluded from the corporate limits of the City of Gunter, the district shall (1) improve, maintain, and operate the roads located in that portion of territory in accordance with the ordinances and rules of the political subdivision possessing jurisdiction over the roads in that portion of territory; and (2) pay the entire cost of performing the district’s duties under subdivision (1).