

BILL ANALYSIS

C.S.H.B. 4010
By: Eiland
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Cade Ranch Water Control and Improvement District No. 1 of Galveston County (the “district”) will encompass an area of land outside the extra-territorial jurisdiction or corporate boundaries of any municipality, within Galveston County, 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; granting the power of eminent domain. C.S.H.B. 4010 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 9024 to Subtitle I, Title 6, Special District Local Laws Code, to read as follows:

CHAPTER 9024. CADE RANCH WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9024.001. DEFINITIONS. Defines “Board,” “Director,” and “District.”

Sec. 9024.002. NATURE OF DISTRICT. Provides that the district is a water control and improvement district in Galveston County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9024.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 9024.024 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 Galveston 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. 9024.004. 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.

[Sections 9024.005-9024.020 reserved for expansion]

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SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 9024.021. TEMPORARY 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 temporary directors the five persons named in the petition. Provides that the Texas Commission on Environmental Quality shall appoint as temporary directors the five persons named in the first petition received by the commission. Provides that if a temporary director fails to qualify for office, the Texas Commission on Environmental Quality shall appoint a person to fill the vacancy. Provides that the temporary directors will serve until the earlier of the date directors are elected under Section 9024.024 or the date this chapter expires under Section 9024.003.

Sec. 9024.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Provides that as soon as practicable after all the temporary directors have qualified under Section 49.055, Water Code, the temporary directors shall meet at a location in the district agreeable to a majority of the directors. If a location cannot be agreed upon, the meeting shall be at the Galveston County Courthouse. At the meeting, the temporary directors shall elect officers from among the temporary directors and conduct any other district business.

Sec. 9024.023. CONSENT OF MUNICIPALITY REQUIRED. Provides that the temporary directors may not hold an election under Section 9024.024 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located, if any, has adopted a resolution consenting to the creation of the district.

Sec. 9024.024. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Provides that the temporary directors 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. 9024.025. INITIAL ELECTED DIRECTORS; TERMS. Provides that the directors elected under Section 9024.024 shall draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 9024.052 and which three shall serve until the second regularly scheduled election of directors.

Sec. 9024.026. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2014.

[Sections 9024.027-9024.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9024.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors. Provides that the Directors will serve staggered four-year terms.

Sec. 9024.052. 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 9024.053-9024.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9024.101. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. Provides that 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.

Sec. 9024.102. ROAD PROJECTS. Provides that to 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. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located. Provides that the district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

Sec. 9024.103. NAVIGATION POWERS. Provides that the District may purchase, construct, acquire, own, operate, maintain, improve or extend inside and outside the district canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district pursuant to Chapters 60 and 62, Water Code and authorized by Section 59, Article XVI, Texas Constitution.

Sec. 9024.104. DIVISION OF THE DISTRICT. Provides that the district may be divided into two new districts only if the district has no outstanding bonded debt and is not imposing ad valorem taxes. Provides that the division procedure prescribed in Sections 53.030-53.041, Water Code, applies to the district. Notwithstanding Section 9024.101, Sections 51.748-51.753, 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. Provides that 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.

Sec. 9024.105. LIMITATION OF DISTRICT DISSOLUTION. Provides that notwithstanding Section 43.071, Local Government Code, or any other general law, prior to December 31, 2017, the district may be dissolved only upon approval of the board of directors of the district and the approval of the governing body of each city or town within whose corporate limits or extraterritorial jurisdiction the district lies.

[Sections 9024.106-9024.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9024.151. TAX TO REPAY BONDS. Provides that the district may impose a tax to pay the principal of or interest on bonds issued under Section 9024.201.

[Sections 9024.152-9024.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9024.201. 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 9024.101 and 9024.102. Provides that the district may not issue bonds to finance projects authorized by Section 9024.102 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 the bonds or other obligations issued or incurred to finance projects authorized by Section 9024.102 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

The substitute adds Section 9024.103 (Navigation Powers). The substitute provides that the District may purchase, construct, acquire, own, operate, maintain, improve or extend inside and outside the district canals, waterways, bulkheads, docks, and any other improvements or facilities necessary or convenient to accomplish the navigation purposes of the district pursuant to Chapters 60 and 62, Water Code and authorized by Section 59, Article XVI, Texas Constitution.

The substitute renumbers Section 9024.103 to Section 9024.104.

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