

BILL ANALYSIS

C.S.H.B. 4014
By: Otto
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Plum Creek Water Control and Improvement District No. 1 of Liberty, Montgomery, and Harris Counties (the "District") will encompass an area of land partially inside of the extraterritorial jurisdiction of the City of Plum Grove, Texas with the remaining land located outside the extraterritorial jurisdiction or corporate boundaries of any municipality in Liberty, Montgomery and Harris Counties. 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 and grant the power of eminent domain. C.S.H.B. 4014 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. Amends Subtitle I, Title 6, Special District Local Laws Code, by adding Chapter 9018 to read as follows:

CHAPTER 9018. PLUM CREEK WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 OF LIBERTY, MONTGOMERY, AND HARRIS COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9018.001. DEFINITIONS. Defines "Board," "Director," "District."

Sec. 9018.002. NATURE OF DISTRICT. Provides that the district is a water control and improvement district in Liberty, Montgomery, and Harris Counties created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9018.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 9018.024 before September 1, 2011, 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 Liberty, Montgomery, and Harris Counties in proportion to the contribution made by each county; and (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and this chapter expires September 1, 2014.

Sec. 9018.004. 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 9018.005-9018.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 9018.021. **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 commission shall appoint as temporary directors the five persons named in the first petition received by the commission under this Section. Provides that if a temporary director fails to qualify for office, the commission shall appoint a person to fill the vacancy. Provides that temporary directors will serve until the earlier of the date directors are elected under Section 9018.024 or the date this chapter expires under Section 9018.003.

Sec. 9018.022. **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.

Sec. 9018.023. **CONSENT OF MUNICIPALITY REQUIRED.** Provides that the temporary directors may not hold an election under Section 9018.024 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution consenting to the creation of the district.

Sec. 9018.024. **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. 9018.025. **INITIAL ELECTED DIRECTORS; TERMS.** Provides that the directors elected under Section 9018.024 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. 9018.026. **EXPIRATION OF SUBCHAPTER.** Provides that this subchapter expires September 1, 2014.

[Sections 9018.027-9018.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9018.051. **DIRECTORS; TERMS.** Provides that the district is governed by a board of five directors. Provides that the directors will serve staggered four-year terms.

[Sections 9018.052-9018.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9018.101. **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. 9018.102. **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 improvements in aid of those roads, inside the district. Provides that a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances or orders of each municipality in whose

corporate limits or extraterritorial jurisdiction the district is located and each county in which the district is located.

Sec. 9018.103. DIVISION OF 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 is prescribed by 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. 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. 9018.104. DISSOLUTION OF DISTRICT. Provides that before December 31, 2017, the district may not be dissolved unless the dissolution is approved by the board and the governing body of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. Provides that this section expires December 31, 2017.

[Sections 9018.105-9018.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9018.151. TAX TO REPAY BONDS. Provides that the district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 9018.201.

[Sections 9018.152-9018.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9018.201. 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 a project under Sections 9018.101 and 9018.102. Provides that the district may not issue bonds or other obligations to finance projects authorized by Section 9018.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose. Provides that bonds or other obligations issued or incurred to finance projects authorized by Section 9018.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. BOUNDARIES. Sets forth the boundaries of the District.

SECTION 3. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS. 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. Provides that the effective date is September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B No. 4014 amends Section 9018.003 which, as filed, required a pro rata distribution of assets to Liberty, Harris and Montgomery Counties upon dissolution of the District. Section

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9018.003 in the substitute provides that if the creation of the district is not confirmed at a confirmation election held under Section 9018.024 before September 1, 2011, 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 Liberty, Montgomery, and Harris Counties in proportion to the contribution made by each county; and (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred; and this chapter expires September 1, 2014.

The substitute deletes the word “turnpike” from Section 9018.102 which is included in the introduced version.

The substitute revises Sec. 9018.103 by adding the words “At the time of creation” to subsection (d) that was not contained in the introduced version.