

BILL ANALYSIS

H.B. 4102
By: Parker
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Canyon Falls Water Control and Improvement District No. 2 of Denton County (the "district") will encompass an area of land inside the corporate boundaries of the City of Northlake, 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. HB 4102 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 9017 to Subtitle I, Title 6, Special District Local Laws Code, to read as follows:

CHAPTER 9017. CANYON FALLS WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2 OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9017.001. DEFINITIONS. Defines "Board," "Director" and "District."

Sec. 9017.002. NATURE OF DISTRICT. Provides that the district is a municipal utility district in Denton County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 9017.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of a district is not confirmed at a confirmation election held under Section 9017.023 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 Denton County; and (C) the organization of the district shall be maintained until all debts are paid and remaining assets are transferred. Provides that this chapter expires September 1, 2014.

Sec. 9017.004. INITIAL DISTRICT TERRITORY. Provides that each district is initially composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes of each district, as described by Section 2 of the Act creating this chapter, form a closure. Provides that 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 9017.005-9017.020 reserved for expansion]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 9017.021. INITIAL DIRECTORS. Provides that the initial board consists of (1) John Mayfield, (2) Greg Nelson, (3) Scott Spencer, (4) Dan Rudkin and (5) Steve Oltman. Provides that the terms of the first three directors named in this Section expire on the uniform election date in May of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 9017.023 and the terms of the last two directors named in Section expire on the uniform election date in May of the next even-numbered year.

Sec. 9017.022. CONSENT OF MUNICIPALITY REQUIRED. Provides that the initial board may not hold an election under Section 9017.023 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution or ordinance consenting to the creation of the district

Sec. 9017.023. CONFIRMATION ELECTION. Provides that the initial board shall hold an election to confirm the creation of the district.

Sec. 9017.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2014.

[9017.025— 9017.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 9017.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors. Provides that directors will serve staggered four-year terms.

[Sections 9017.052-9017.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9017.101. 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. 9017.102. 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, subdivision requirements, and regulatory ordinances or orders of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

[Sections 9017.103-9017.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 9017.151. 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 9017.201.

[Sections 9017.152-9017.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 9017.201. 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 Section 9017.101 or 9017.102. Provides that the district may not issue bonds or other obligations to finance projects authorized by Section 9017.102 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 the bonds or other obligations issued or incurred to finance projects authorized by Section 9017.102 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. This Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.