

BILL ANALYSIS

H.B. 1368
By: Otto
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, Plum Creek Fresh Water Supply District No. 1 encompasses an area of land outside the corporate limits of any city and partially within the extraterritorial jurisdiction of the City of Plum Grove, Texas. The district is an existing fresh water supply district created by the Liberty County Commissioners Court, with water, sewer, and road powers. The land located within the district will be developed into single-family residential and commercial development; therefore, drainage powers also need to be secured.

H.B. 1368 authorizes the district under existing provision of the Water Code and the Texas Constitution to purchase, acquire, or construct drainage facilities through the use of tax-exempt bonds. The bill authorizes the district to impose a tax and issue bonds.

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

H.B. 1368 amends the Special District Local Laws Code to add an enabling statute relating to the Plum Creek Fresh Water Supply District No. 1 of Liberty County, which was created non-legislatively under general law provisions of the Water Code. The bill sets forth general provisions for the nature and purpose of the district; the number of members, qualifications, and terms of the board of directors of the district; the powers and duties of the district, including the power to undertake certain drainage projects; the procedures for the division of the district; and the ability of the district to annex land.

H.B. 1368 sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, impose a property tax for operations and maintenance, and impose contract taxes. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill requires the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes to not exceed one-fourth of the assessed value of the real property in the district at the time of issuance.

H.B. 1368 exempts the district from administrative provisions in the Water Code relating to an elected tax assessor and collector for fresh water supply districts and authorizes the board to employ or contract with a tax assessor and collector for the district as provided under provisions in the Water Code applicable to all districts. The bill changes the name of Plum Creek Fresh Water Supply District No. 1 of Liberty County to Plum Creek Fresh Water Supply District No. 1. The bill defines the terms "board," "director," and "district."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.