

BILL ANALYSIS

C.S.H.B. 2124
By: Olivo
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The proposed Fort Bend County Water Control and Improvement District No. 10 will encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Richmond, Texas. The land to be located in the district is slated for 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 applicable provisions of the Water Code and the Texas Constitution in order to purchase, acquire, or construct facilities to serve the future residents of the district, utilizing tax-exempt bonds. It is also necessary to empower the district with authority to impose a tax and issue bonds and grant the district the power of eminent domain.

C.S.H.B. 2124 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

C.S.H.B. 2124 amends the Special District Local Laws Code to set forth standard language for the creation of the Fort Bend County Water Control and Improvement District No. 10. The bill sets forth general provisions for: the nature of the district, the confirmation of the district and election of the board of directors, municipal consent, the district's public purpose and benefit, and initial district territory; the number of members, composition, and terms of the board of directors of the district, including provisions for temporary directors; the powers and duties of the district, including the power to undertake certain road projects, the road standards and requirements, required compliance with municipal ordinance and resolutions, and the limitation on the use of eminent domain. The bill authorizes the district to contract for firefighting services with the City of Richmond, and, with voter approval, to issue bonds payable from property taxes to pay for capital costs required under the contract. The bill specifies the district is not required to submit a fire plan to the Texas Commission on Environmental Quality (TCEQ) for approval if the district makes such a contract.

C.S.H.B. 2124 sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations and impose a property tax for operations and maintenance and 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 and in the manner provided by state law. 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. The bill sets forth in detail the initial boundaries of the district. 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.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2124 differs from the original by adding provisions not in the original authorizing the district to contract with the City of Richmond for firefighting services, and, with voter approval, to issue bonds payable from property taxes to pay for capital costs required under the contract. The substitute exempts the district from submitting a fire plan to the Texas Commission on Environmental Quality if the district makes such a contract, whereas the original does not contain such a provision.