

BILL ANALYSIS

H.B. 4226
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Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the land located within the boundaries of the proposed Comal County Water Improvement District No. 2 is undeveloped and lies within an unincorporated area in Comal County. The district will have all the powers granted to municipal utility districts operating pursuant to the Water Code and road powers pursuant to the Texas Constitution. It is necessary to create the district in order to purchase, acquire, or construct facilities for such services to serve the future residents of the district, using tax-exempt bonds. It is also necessary to empower the district with the authority to impose a tax and issue bonds and grant the district the power of eminent domain.

H.B. 4226 creates the Comal County Water Improvement District No. 2.

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. 4226 amends the Special District Local Laws Code to set forth standard language for the creation of the Comal County Water Improvement District No. 2. The bill sets forth general provisions for the nature of the district, the confirmation of the district and required election of the board of directors, municipal consent, the district's public purpose and benefit, and initial district territory; the number of members 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 applicable to water control and improvement districts and to undertake certain road projects and the approval necessary and the standards and requirements for such projects, required compliance with municipal consent ordinances or resolutions, the limited use of eminent domain; and the procedures for the division of the district.

H.B. 4226 sets forth general financial provisions authorizing a 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. 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.

81R 19756

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