

## **BILL ANALYSIS**

H.B. 1551  
By: Aycock  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Bell County Water Control and Improvement District No. 1 currently operates under its own statute as well as certain Water Code provisions. The district's only bonded indebtedness is comprised of revenue bonds secured by and payable solely from revenues generated under wholesale water and sewer contracts with cities, water supply corporations, other water districts, and Fort Hood.

Certain provisions of current law require the district to hold an election to issue revenue bonds. This requirement is out of sync with other state law on revenue bonds, which do not require such an election, such as law applicable to municipal utility districts and other law relating to certain special districts. H.B. 1551 authorizes the district to issue bonds for certain purposes, including bonds that may be issued without an election.

### **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. 1551 amends the Special District Local Laws Code to authorize the Bell County Water Control and Improvement District No. 1 to issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, enlarging, or extending any district works, improvements, facilities, plants, equipment, and appliances needed or useful to accomplish or carry out the purposes, powers, functions, or obligations of the district, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, or solid waste disposal system and makes conforming changes..

H.B. 1551 authorizes the district, in order to provide for the payment of bonds issued under the bill's provisions, to impose property taxes on all taxable property in the district; pledge all or any part of revenue available to the district from any source, including all or part of the revenue resulting from the ownership or operation of the district's works, improvements, facilities, plants, equipment, and appliances, or all or part of the revenue available under specific contracts for a period of time the district determines; or pledge any combination of these sources of taxes or revenue. The bill authorizes bonds secured by and payable solely from pledged revenue to be issued without an election and provides that such bonds are not subject to provisions relating to Texas Commission on Environmental Quality authority over the issuance of district bonds. The bill restricts the requirement for the district to hold an election to an election to obtain voter approval for the issuance of bonds that are payable from property taxes or to impose a property tax for that purpose and makes conforming changes. The bill authorizes the district to exercise any of the rights or powers granted to the governing body of an issuer of obligations for certain public improvements.

H.B. 1551 establishes that its provisions are wholly sufficient authority for the issuance of bonds, the pledge of revenues, taxes, or any combination of revenues and taxes, and the performance of other acts and procedures authorized by the bill's provisions by the district without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by the bill's provisions. The bill establishes that to the extent of any conflict or inconsistency between the bill's provisions and any other law the bill's provisions control. The bill authorizes the district to use any law not in conflict with the bill's provisions to the extent convenient or necessary to carry out any power or authority, express or implied, granted by the bill's provisions.

H.B. 1551 removes provisions referencing the required content of an engineer's report related to bonds in connection with property to be operated by the district under lease. The bill removes the applicable definition of "district property."

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.