

BILL ANALYSIS

C.S.H.B. 2942
By: Workman
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Travis County Water Control and Improvement District No. 17 desires to establish and administer defined areas within its boundaries. C.S.H.B. 2942 seeks to create a defined area within the district, in which a hospital and related improvements will be developed, known as the Lakeway Regional Medical Center Defined Area. The defined area will be used to finance certain public infrastructure improvements through the levying of a property tax and the issuance of 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

C.S.H.B. 2942 amends the Special District Local Laws Code to create the Lakeway Regional Medical Center Defined Area in the Travis County Water Control and Improvement District No. 17. The bill establishes that the defined area is created to serve a public purpose and benefit. The bill establishes that the defined area is created to accomplish the purposes of a water control and improvement district as provided by general law and constitutional provisions relating to conservation and reclamation districts and the purposes of constitutional provisions relating to counties, cities, or other political corporations or subdivisions and the lending of credit, grants, and bonds that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

C.S.H.B. 2942 requires the district's board of directors to administer the defined area as provided by provisions relating to water control and improvement districts except that the bill makes certain specified provisions relating to a tax plan inapplicable to the defined area.

C.S.H.B. 2942 sets out provisions relating to elections in the defined area, including provisions requiring an election limited to the defined area to conform to the requirements of the Election Code and establishing that such an election does not require that an election be held in the part of the district outside the defined area.

C.S.H.B. 2942 authorizes the district to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to the state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, including roads located outside the boundaries of the defined area, to serve the defined area as determined by the board. The bill requires a road project in the defined area to meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the road project is located. The bill requires a road project, if the road project is not located in the corporate limits of a municipality, to meet all applicable construction standards, subdivision requirements, and

regulations of each county in which the road project is located. The bill requires the Texas Transportation Commission to approve the plans and specifications of a road project if the state will maintain and operate the road.

C.S.H.B. 2942 authorizes the district, subject to the approval of voters in the defined area, to impose a property tax only on the property of the defined area or issue bonds payable from property taxes only on the property of the defined area, but the district is prohibited from issuing bonds payable from property taxes to finance a road project in the defined area unless the issuance is approved by a two-thirds majority of voters of the defined area. The bill authorizes the district to impose an operation and maintenance tax on taxable property in only the defined area if it is authorized at an election regarding defined area taxes or bonds and requires the board to determine the tax rate, which may not exceed the rate approved at the election. The bill authorizes the district to impose a tax other than an operation and maintenance tax in the defined area only and use the revenue derived from the tax to make payments under a contract approved by a majority of the defined area voters. The bill authorizes a contract, in addition to the purposes allowed by provisions applicable to all water districts, to contain provisions related to the plant, works, facilities, roads, or other projects to serve the defined area and authorizes a contract approved by the defined area voters to contain a provision stating that the contract may be modified or amended by the board without further voter approval.

C.S.H.B. 2942 authorizes the district to issue bonds or other obligations as provided by provisions applicable to all water districts and provisions applicable to water control and improvement districts to finance the construction, maintenance, or operation of the plant, works, facilities, roads, or other projects to serve the defined area. The bill authorizes the board, at the time the district issues bonds related to the defined area, to provide for the imposition of a tax to pay the principal of or interest on the bonds. The bill prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects in the defined area from exceeding one-fourth of the assessed value of the real property in the defined area at the time of issuance.

C.S.H.B. 2942 sets out in detail the initial boundaries of the defined area and makes provision for certain mistakes in the description of the boundaries. The bill defines "board," "defined area," and "district."

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2942 differs from the original by requiring a road project in the Lakeway Regional Medical Center Defined Area in the Travis County Water Control and Improvement District No. 17 to meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits the road project is located, or applicable construction standards, subdivision requirements, and regulations of each county, if the road project is not located in the corporate limits of a municipality, whereas the original makes those same requirements of a road project not located in the corporate limits or the extraterritorial jurisdiction of a municipality.