

BILL ANALYSIS

Senate Research Center
83R4779 SGA-F

S.B. 587
By: Hinojosa
Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 587 amends the powers of Hidalgo County Water Control and Improvement District No. 19 (district), a political subdivision of the State of Texas. The district lies in the corporate limits and extraterritorial jurisdiction of the cities of McAllen, Mission, and Granjeno, in Hidalgo County.

S.B. 587 proposes to grant road powers, including the authority to construct and finance roads, under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to the district. S.B. 587 also authorizes the district to divide, subject to certain limitations.

As proposed, S.B. 587 amends current law relating to the powers and duties of the Hidalgo County Water Control and Improvement District No. 19, and provides authority to issue bonds and to impose fees and taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle I, Title 6, Special District Local Laws Code, by adding Chapter 9044, as follows:

CHAPTER 9044. HIDALGO COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 19

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9044.001. DEFINITION. Defines "district" in this chapter.

Sec. 9044.002. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the Hidalgo County Water Control and Improvement District No. 19 (district) is a water control and improvement district created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of:

- (1) a water control and improvement district as provided by general law and Section 59, Article XVI, Texas Constitution; and
- (2) Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, 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.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 9044.051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 9044.052. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 51 (Water Control and Improvement Districts), Water Code, applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution.

Sec. 9044.053. AUTHORITY FOR ROAD PROJECTS. Authorizes the district to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this 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 under Section 52, Article III, Texas Constitution.

Sec. 9044.054. ROAD STANDARDS AND REQUIREMENTS. (a) Requires that a road project meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires that a road project meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality.

(c) Requires the Texas Transportation Commission to approve the plans and specifications of the road project if the state will maintain and operate the road.

Sec. 9044.055. DIVISION OF DISTRICT. (a) Authorizes the district to be divided into two or more new districts only if the district has no outstanding bonded debt, and is not imposing ad valorem taxes.

(b) Provides that this chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits any new district created by the division of the district from, at the time the new district is created, containing any land outside the district as of the effective date of the Act enacting this chapter.

(d) Authorizes the district's board of directors (board) to adopt an order dividing the district on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district.

(e) Requires an order dividing the district to name each new district, include the metes and bounds description of the territory of each new district, appoint temporary directors serving staggered four-year terms for each new district, and provide for the division of assets and liabilities between or among the new districts.

(f) Requires the district to file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located on or before the 30th day after the date of adoption of an order dividing the district.

(g) Provides that a new district created by the division of the district is not required to hold a confirmation election.

(h) Provides that the consent of a municipality or county is not required for the creation of any new district under this section if the new district's creation complies with Subsection (c).

(i) Requires a new district created by the division of the district to hold an election to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 9044.101. **AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.** (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 9044.053.

(b) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes from exceeding one-fourth of the assessed value of real property in the district at the time of issuance.

Sec. 9044.102. **TAXES FOR BONDS.** Requires the board to provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding, at the time the district issues bonds payable wholly or partly from ad valorem taxes.

SECTION 2. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

SECTION 4. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 5. Effective date: upon passage or September 1, 2013.