

## **BILL ANALYSIS**

Senate Research Center  
86R15854 GRM-F

H.B. 4642  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 4642 adds and clarifies powers that the Rolling V Ranch Water Control and Improvement District No. 1 (district) already has. H.B. 4642 clarifies that the district has the power to divide into smaller districts. Next, H.B. 4642 adds and clarifies that the district may contract for law enforcement services from qualified entities, such as a County or Municipality. Finally, H.B. 4642 clarifies that the district has power for contract taxes.

The 80th Legislature created the Rolling V Ranch Water Control and Improvement District No. 1 in 2007. The district is approximately 2,943 acres. The District is in Wise County and lies partially in the ETJ of the City of Newark and partially within the extraterritorial jurisdiction (ETJ) of the City of Rhome.

Concerning the division power, it is often more practical and desirable to have smaller districts when developing. H.B. 4642 would clarify that the district, currently approximately 3,000 acres, could divide into smaller, more manageable districts whenever development commences.

Concerning the contract tax power, the purpose is to allow the district to impose a tax other than operation and maintenance tax and to use revenue from the tax to make payments on the contract. The most common example where this is used is contracting for water and wastewater utility services. The utility contract will often require a tax be levied to pay for the infrastructure. The contract and its provisions would have to be approved by the voters prior to the district levying such a tax.

H.B. 4642 amends current law relating to the powers and duties of the Rolling V Ranch Water Control and Improvement District No. 1 of Wise County.

### **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 Section 9021.104, Special District Local Laws Code, by amending Subsections (a) and (b) and adding Subsections (e), (f), (g), (h), (i), and (j), as follows:

(a) Authorizes the Rolling V Ranch Water Control and Improvement District No. 1 of Wise County (district) to be divided into two or more, rather than two, new districts only if the district meets certain criteria.

(b) Provides that this chapter (Rolling V Ranch Water Control and Improvement District No. 1 of Wise County) 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, rather than providing that the division procedure is prescribed by Sections 53.030 (Ordering Election) through 53.041 (Completing Membership of the Board), Water Code.

(e) Authorizes the district's board of directors (board), 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, to adopt an order dividing the district.

(f) Requires an order dividing the district to:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

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

(h) Requires any new district created by the division of the district to hold a confirmation and directors' election as required by Section 49.102 (Confirmation and Director Election), Water Code.

(i) Requires the new district, if the creation of the new district is confirmed, to provide the election date and results to TCEQ.

(j) Requires any new district created by the division of the district to hold an election as required by this chapter to obtain voter approval before the district is authorized to impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

SECTION 2. Amends Subchapter C, Chapter 9021, Special District Local Laws Code, by adding Section 9021.105, as follows:

Sec. 9021.105. LAW ENFORCEMENT SERVICES. Authorizes the district, to protect the public interest, to contract with a qualified party, including a county or a municipality, to provide law enforcement services in the district for a fee.

SECTION 3. Amends Subchapter D, Chapter 9021, Special District Local Laws Code, by adding Section 9021.152, as follows:

Sec. 9021.152. CONTRACT TAXES. Authorizes the district, in accordance with Section 49.108 (Contract Elections), Water Code, to impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

SECTION 4. Repealer: Section 9021.104(c) (relating to providing that any new district created by the division of the district has all the powers and duties of the district), Special District Local Laws Code.

SECTION 5. 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 6. Effective date: September 1, 2019.