

SUBJECT: Authorizing a water and sewer utility for Fort Bend County

COMMITTEE: County Affairs — favorable, with amendment

VOTE: 7 ayes — R. Lewis, Kamel, Chisum, Christian, Denny, Gutierrez, G. Lewis
0 nays
2 absent — Bonnen, Flores

SENATE VOTE: On final passage, April 4 — voice vote (Ellis registered present, not voting)

WITNESSES: None

BACKGROUND : The commissioners court of Matagorda County is authorized to construct and operate a water supply or sewage system to serve areas of the county located outside the limits of a municipality. The county can apply for and receive grants and other aid from state and federal agencies to implement the system.

DIGEST: SB 834, as amended, would authorize Fort Bend County to finance and operate a water and sewer utility system to serve unincorporated areas of the county. The county would be prohibited from issuing general obligations bonds payable from ad valorem taxes, but could issue revenue bonds to finance the system.

SB 834 would authorize the county to exercise the power of eminent domain and acquire interest in property to operate the utility system. The county would be prohibited from exercising the power of eminent domain within the corporate limits of a municipality.

Bonds issued could not be deemed as indebtedness, an obligation or a pledge or loan of the faith or credit of the taxing power of any political subdivision of the state. SB 834 would prohibit revenue bonds from constituting an indebtedness within the meaning of any constitutional or statutory debt limitation, restriction or agreement.

SB 834 would take effect September 1, 1997.

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SUPPORTERS SAY: SB 834 would give Fort Bend County the authority necessary to improve the quality of life of residents living in its unincorporated areas. These residents do not have adequate access to sewer and water utilities; in some instances, drinking water comes from substandard wells near inadequate septic systems. SB 834 would authorize Fort Bend County to issue bonds to build the infrastructure required to provide sewer and water services to county residents.

County action is necessary to improve the living conditions in unincorporated areas because the formation of a municipal utility district (MUD) to provide services is unlikely. The unserved areas in Fort Bend County are inhabited and would not be conducive to the creation of a MUD.

SB 834 would facilitate the implementation of a local solution paid for and implemented at the local level. Any bonds issued would be repaid by taxpayers with revenues received by the utility.

Allowing all counties the authority to provide water and sewer services would be premature. The powers granted to Fort Bend County would be limited and tailored for a specific purpose. Fort Bend County would serve as a test case for the future expansion of county authority to include issuing revenue bonds for water and sewer services.

OPPONENTS SAY: SB 834 should apply to all counties. The lack of adequate sewer and water services in unincorporated county areas is widespread. All counties should have the option to issue revenue bonds to finance utility projects to promote the general welfare of county residents.

NOTES: The committee amendment would narrow the bill to apply only to Fort Bend County.

