

BILL ANALYSIS

Senate Research Center
76R11635 SMJ-F

H.B. 2956
By: Solomons (Carona)
Natural Resources
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Engrossed

DIGEST

In 1995, the City of Lewisville entered into contracts with two fresh water supply districts which encompass 2600 acres within the city's extraterritorial jurisdiction and with the owners of the land. Pursuant to these contracts, the voters in one fresh water supply district voted in a tax, authorized by Section 49.108, Water Code, to make payments to the City of Lewisville, and the city issued bonds to finance water, sewer, drainage, and road improvements. In 1997, the 75th Legislature enacted legislation adding Subsection (e) to Section 49.108, which sets forth the procedure for general law district contract elections. Subsection (e) requires certain districts to obtain approval from the executive director of the Texas Natural Resource Conservation Commission (TNRCC) before entering into an obligation under this section to collect tax for debt that exceeds three years. Section 49.108(e) and the subsequent regulations promulgated by TNRCC relating to that subsection have altered the economics of the contractual agreements between the City of Lewisville, the fresh water supply districts, and the landowners. This bill would provide that certain fresh water supply districts under certain conditions have the right to conduct contract elections without the required approval as set out in Section 49.108(e), Water Code.

PURPOSE

As proposed, H.B. 2956 provides that certain fresh water supply districts under certain conditions have the right to conduct contract elections without the required approval as set out in Section 49.108(e), Water Code.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 53.029, Water Code, by adding Subsection (e), to provide that a district covered by this section has the right to conduct contract elections in the manner set forth in Sections 49.108(a)-(d), Water Code, without the approval set forth in Section 49.108(e), if all land that would be subject to the contract election was in the boundaries of a district covered by this section that was party to an agreement with a municipality before September 1, 1997, calling for the issuance of district bonds for road or bridge improvements, and the contract is approved by the municipality that is a party to the agreement.

SECTION 2. Emergency clause.
Effective date: upon passage.