

BILL ANALYSIS

Senate Research Center
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S.B. 2060
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The purpose of S.B. 2060 is to exclude 138.03 acres of land (tract) from the boundaries of Harris County Fresh Water Supply District No. 58 (district). The exclusion of the tract will not diminish or impair the rights of the holders of any outstanding indebtedness of the district. The district shall continue to levy taxes on the tract as the tract will be required to pay its pro rata share of the outstanding indebtedness of the district (either annually or in one lump sum) until paid in full.

The district is not receiving any tangible benefit from the tract in its current undeveloped state (the tract makes up 1.5224 percent of the district's total tax base and the district is not receiving any water or sewer revenue from the tract). It is currently not feasible to develop the tract as there is no mechanism available to provide the developer with reimbursement of water, sewer, and drainage infrastructure costs necessary to serve the tract. The proposed legislation addresses this problem by allowing the tract to be excluded from the district. Exclusion of the tract from the district (and the creation of a new district encompassing the tract) make development of the tract feasible while at the same time assuring that the current residents of the district are not burdened in any way since the owners of the tract will continue to pay its pro rata share of the district's outstanding indebtedness until paid in full.

Current law does not allow exclusion of land from a district if such district has outstanding indebtedness (Section 49.303, Water Code). The proposed legislation differentiates from current law by allowing the exclusion of the tract from the district even though the district has outstanding indebtedness; provided, however, that the tract must still pay its pro rata share of the outstanding indebtedness (either annually or in one lump sum) until paid in full.

As proposed, S.B. 2060 amends current law relating to the boundaries of the Harris County Fresh Water Supply District No. 58.

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. DEFINITION. Defines "district" to mean the Harris County Fresh Water Supply District No. 58.

SECTION 2. EXCLUSION OF TERRITORY. Provides that the boundaries of the district are adjusted to exclude the parcel of land described by this section.

SECTION 3. RIGHTS OF BONDHOLDERS. Provides that the exclusion of property under this Act does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other certificates of indebtedness of the district.

SECTION 4. APPORTIONMENT OF DISTRICT INDEBTEDNESS. (a) Provides that the excluded property is not released from the payment of its pro rata share of the district's indebtedness.

(b) Requires the district to continue to levy taxes each year on the property excluded from the district at the same rate levied on other property of the district until the taxes collected from the excluded property equal the property's pro rata share of the indebtedness of the district on the effective date of this Act. Requires that the taxes collected be applied exclusively to the payment of the excluded property's pro rata share of the indebtedness.

(c) Authorizes the owner of any part of the excluded property at any time to pay in full the owner's share of the pro rata share of the indebtedness of the district.

SECTION 5. Provides that all requirements of the constitution and 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: upon passage or September 1, 2015.