

## **BILL ANALYSIS**

C.S.H.B. 3560  
By: Gattis  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Williamson County Municipal Utility District No. 12 (district) will encompass an area of land outside of the corporate limits and the extraterritorial jurisdiction of any city. The land to be located within the district will be developed into single family residential and commercial developments; therefore, water, sewer, and drainage services need to be secured. It is necessary to create the district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. C.S.H.B. 3560 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. DEFINITIONS. Defines "board", "Commission" and "district."

SECTION 2. CREATION. Provides that a district, to be known as the Williamson County Municipal Utility District No. 12 (district), is created in Williamson County, subject to approval at a confirmation election under SECTION 9 of this Act. Provides that the district is a governmental agency and a body politic and corporate.

SECTION 3. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides that the district is created to serve a public use and benefit and created under and is essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources; Conservation and Reclamation Districts), Article XVI, Texas Constitution. All of the land included within the district will be benefitted by the works and projects of the district.

SECTION 4. BOUNDARIES. Sets forth the boundaries of the district.

SECTION 5. FINDINGS RELATIVE TO BOUNDARIES. Sets forth legislative findings relating to the boundaries of the district.

SECTION 6. APPLICABILITY OF OTHER LAW. This Act prevails over any provision of general law that is in conflict or inconsistent with this Act.

SECTION 7. BOARD OF DIRECTORS. Provides that the district is composed of a five-member board of directors. Provides that temporary directors serve until initial directors are elected under SECTION 9 of this Act. Provides that initial directors serve until permanent directors are elected under SECTION 10 of this Act. Provides that permanent directors serve staggered four-year terms. Provides that each director must qualify to serve as director in the manner provided by Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code. Provides that a director serves until the

successor has qualified.

**SECTION 8. TEMPORARY DIRECTORS.** Sets forth the composition of the temporary board of directors, including Rex Bohls, Leanna Einhaus, Glen Kistenmacher, Hagen McMann and Bill Simpson.

**SECTION 9. CONFIRMATION AND INITIAL DIRECTORS' ELECTION.** Requires the temporary board to call and hold an election to confirm establishment of the district and elect five initial directors. Provides that Section 41.001(a) (Uniform Election Dates), Election Code, does not apply to the confirmation election.

**SECTION 10. ELECTION OF DIRECTORS.** Sets forth the election dates and term requirements of the directors, providing for staggered terms. Provides for postponement of elections if the election is within 60 days of the confirmation election or there is not sufficient time to comply with the law requirements. Sets out the dates on which subsequent elections will be held.

**SECTION 11. GENERAL POWERS.** Provides that the district has all of the rights, powers, privileges, authority, functions, and duties provided under general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution. Provides that this Act prevails over any provision of general law that is conflicting or inconsistent with this Act. Subjects the powers of the district to the continuing right of supervision of the state to be exercised by and through the Texas Commission on Environmental Quality (TCEQ).

**SECTION 12. PROHIBITION AGAINST IMPAIRMENT OF DISTRICT.** A municipality in whose extraterritorial jurisdiction the district is located may not adopt an ordinance or take other action which impairs the ability of the district to exercise its powers under this article or limits the district to finance, construct, or operate its water, wastewater, or drainage system.

**SECTION 13. ANNEXATION.** A municipality may annex the district on the earlier of the date of installation of 90 percent of all works or the 20<sup>th</sup> anniversary of the date of district confirmation.

**SECTION 14. REIMBURSEMENT TO LANDOWNER OR DEVELOPER; INSTALLATION OF FACILITIES.** Provides that if a municipality annexes for full or limited purposes and the annexation precludes or impairs the ability of the district to issue bonds, the municipality shall pay the landowner or developer a sum equal to all costs and expenses that the district has agreed to pay and that would otherwise have been reimbursed from bond proceeds and, after the annexation, install all necessary water, wastewater, and drainage facilities to serve full build out of development within the district.

**SECTION 15. FINDINGS RELATING TO PROCEDURAL REQUIREMENTS.** Provides that the proper and legal notice setting forth the substance of this Act has been published as provided by law. Provides that a notice of a copy of this Act has been furnished to the required persons, agencies, officials, or entities according to the constitution and other laws of this state. Provides that the TCEQ has filed its recommendations relating to this Act with the governor, lieutenant governor, and the speaker of the house of representatives within the required time. 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 16. EFFECTIVE DATE; EXPIRATION DATE.** Effective date is September 1, 2003. The expiration date is September 1, 2005, if the district is not confirmed under SECTION 9.

#### **EFFECTIVE DATE**

September 1, 2003. The expiration date is September 1, 2005, if the district is not confirmed.

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

C.S.H.B. 3560 corrects language in the original bill concerning metes and bounds.