

## **BILL ANALYSIS**

Senate Research Center  
79R6376 QS-F

H.B. 1346  
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Intergovernmental Relations  
5/17/2005  
Engrossed

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

H.B. 1346 proposes the creation of the CLL Municipal Utility District No. 1 (district) to 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 and, therefore, water, sewer, and drainage services need to be secured. It is necessary to create the municipal utility district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, and/or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds.

H.B. 1346 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district, and provides authority for the district to divide into smaller districts.

### **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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8109, as follows:

#### CHAPTER 8109. CLL MUNICIPAL UTILITY DISTRICT NO. 1

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8109.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8109.002. NATURE OF DISTRICT. Provides that the CCL Municipal Utility District No. 1 (district) is a municipal utility district in Bell and Williamson counties created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8109.003. CONFIRMATION ELECTION REQUIRED. Provides that certain actions relating to the district's dissolution and payment of debts result if the creation of the district is not confirmed at a confirmation election held under Section 8109.023 before September 1, 2011.

Sec. 8109.004. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that a mistake made in the field notes or in copying the field notes in the legislative process does not affect certain aspects of the district.

Sec. 8109.005. APPLICABILITY OF OTHER LAW. Provides that, except as otherwise provided by this chapter, Chapters 30 (Regional Waste Disposal), 49 (Provisions

Applicable to All Districts), and 54 (Municipal Utility Districts), Water Code, apply to the district.

[Reserves Sections 8109.006-8109.020 for expansion.]

#### SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8109.021. TEMPORARY DIRECTORS. (a) Sets forth the temporary composition of the board of directors of the district (board).

(b) Provides that a temporary director is not required to own land in or reside in the district.

(c) Requires, if a temporary director fails to qualify for office, the temporary directors who have qualified to appoint a person to fill the vacancy. Requires, if at any time there are fewer than three qualified temporary directors, the Texas Commission on Environmental Quality (TCEQ) to appoint the necessary number of persons to fill all vacancies on the board.

(d) Sets forth the terms of service for the temporary directors.

Sec. 8109.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, a majority of the temporary directors to convene the organizational meeting of the district at a location in the district agreeable to a majority of the directors. Requires the organizational meeting to be at the Williamson County Courthouse if a location cannot be agreed upon.

Sec. 8109.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102 (Confirmation and Director Election), Water Code. Authorizes the temporary directors to hold a second election not sooner than the first anniversary of the initial election if the creation of the district is not confirmed at the initial election.

(b) Authorizes the board to submit to the voters a proposition to authorize certain bonds and taxes at the confirmation and initial directors' election.

(c) Provides that Section 41.001(a) (relating to the dates of uniform and general elections), Election Code, does not apply to a confirmation and initial directors' election held under this section.

Sec. 8109.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8109.023 to draw lots to determine which two will serve terms expiring June 1 following the first regularly scheduled election of directors under Section 8109.052 and which three will serve until June 1 following the second regularly scheduled election of directors.

Sec. 8109.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2014.

[Reserves Sections 8109.026-8109.050 for expansion.]

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8109.051. DIRECTORS; TERMS. (a) Provides that the district is governed by a board of five directors.

(b) Provides that directors serve staggered four-year terms that expire June 1 of even-numbered years.

Sec. 8109.052. ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

[Reserves Sections 8109.053-8109.100 for expansion.]

#### SUBCHAPTER C. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS

Sec. 8109.101. DIVISION OF DISTRICT; PREREQUISITES. (a) Authorizes the district, at any time before the district issues indebtedness secured by taxes or net revenues, including any annexed territory, to be divided into an original district and one or more new districts. Requires the board to determine which portion of the divided area constitutes the original district.

(b) Authorizes a district created by division of the original district under Subsection (a) to further subdivide as determined by the board of that district.

(c) Requires the original district and any new district created to be at least 85 acres after a division under Subsection (a) or (b).

(d) Authorizes the board by resolution to declare an intent to divide the district. Requires the resolution to serve certain functions.

(e) Provides that Section 42.042, Local Government Code, and Section 54.016, Water Code, do not apply to the creation of a new district by division under this subchapter.

Sec. 8109.102. DISTRICT DIVISION BY ELECTION. (a) Requires the board, except as provided by Section 8109.103, to hold an election in the district to determine whether the district should be divided as proposed under Section 8109.101(d).

(b) Requires the board to give notice of the election not later than the 20th day before the date of the election. Requires the notice to contain certain information relating to the election.

(c) Provides that the district is divided if a majority of the votes are cast in favor of the division.

(d) Prohibits the district from being divided if less than a majority of the votes are cast in favor of the division.

Sec. 8109.103. DISTRICT DIVISION BY CONSENT. (a) Authorizes the board to approve and order the division of the district without an election if the board has received written consent to the proposed division from all title holders of the land in the district as indicated by the tax rolls of the central appraisal district of each county in which the district is located.

(b) Provides that the district is divided as of the date of the order if the board orders the division without an election.

Sec. 8109.104. NOTICE OF DIVISION. Requires the district to provide written notice of the plan for division to certain entities not later than the 30th day after the date of a division under this subchapter.

Sec. 8109.105. DISTRICT NAMES FOLLOWING DIVISION. Provides that the area designated by the board as the original district retains the name of the original district. Provides that the resulting new districts are assigned consecutive letters to be appended to the name of the original district.

Sec. 8109.106. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a) Requires the board to continue to act as the board of the original district after a division under this subchapter.

(b) Requires the board to appoint five directors for each of the new districts not later than the 90th day after the date of the division. Provides that a person appointed under this subsection is not required to own land in or reside in the district for which the person is appointed.

(c) Provides that directors of the original district serve the staggered terms to which they were elected before the division. Provides that directors appointed under Subsection (b) serve until June 1 following the election for directors under Subsection (d).

(d) Requires an election to be held to elect five directors in each district for which directors were appointed under Subsection (b) on the uniform election date in May of the first even-numbered year after the year in which the directors are appointed. Requires, of the five directors elected in each district, the three directors receiving the greatest number of votes to serve terms expiring June 1 following the second regularly scheduled election of directors under Subsection (e), and the remaining two directors to serve terms expiring June 1 following the first regularly scheduled election of directors.

(e) Provides that directors serve staggered four-year terms except as provided by Subsection (d). Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

Sec. 8109.107. CONTINUING POWERS AND OBLIGATIONS OF NEW DISTRICTS. (a) Authorizes each new district to incur and pay debts and provides that it has all powers of the original district created by this chapter.

(b) Provides that, if the district is divided as provided by this subchapter, the current obligations and any bond authorizations of the district are not impaired. Requires debts to be paid by revenues or by taxes or assessments imposed on real property in the district as if the district had not been divided or by contributions from each new district as stated in the terms set by the board in the plan for division.

(c) Requires any other district obligation to be divided pro rata among the new districts and the original district on an acreage basis or on other terms that are satisfactory to the new districts.

Sec. 8109.108. CONTRACT AUTHORITY OF NEW DISTRICTS. Authorizes the new districts to contract with each other and with the original district for certain services.

SECTION 2. Sets forth the territory initially included in the district.

SECTION 3. 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 4. Effective date: September 1, 2005.