

BILL ANALYSIS

C.S.H.B. 2442
By: Laubenberg
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Collin County Municipal Utility District No. 1 (the "district") was created by the Texas Commission on Environmental Quality and encompasses an area of undeveloped land inside the extraterritorial jurisdiction of the City of Celina, in Collin County, Texas. The land will be developed into a mixed-use, residential and commercial development. In order to allow for efficient development of the land and address local government requirements, C.S.H.B. 2442 provides the district the ability to undertake road projects and to issue bonds and other obligations for road projects, upon approval of a two-thirds majority of voters in the district. C.S.H.B. 2442 also authorizes the district to enter into contracts with other governmental entities for water and sewer service.

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. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8164 as follows:

CHAPTER 8164. COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO.1

SUBCHAPTER A. GENERAL PROVISIONS. Provides definitions, the nature of the district, and sets forth certain constitutional provisions.

SUBCHAPTER B. POWERS AND DUTIES. In addition to the powers and duties of a municipal utility district provided by general law, the district may construct, acquire, improve, maintain, or operate roads or turnpikes, or improvements in aid of those roads, inside or outside the district. The district may contract for a road project in the same manner as provided by Chapter 49, Water Code.

The district may enter into a contract to allow a political subdivision to provide retail water or sewer service to the district, and the district may convey certain components of utility infrastructure to such provider.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS. The district may impose a tax for any district operation and maintenance purpose in the manner provided by Section 49.107, Water Code. Section 49.107(f) does not apply to reimbursements for road projects. The district may impose a tax to repay bonds. The district is prohibited from imposing an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or certain improvements.

SUBCHAPTER D. BONDS. The district has authority to issue bonds for water, sewer, drainage and other projects authorized by Chapters 49 and 54, Water Code, and to issue bonds for road projects and contractual obligations related to water and sewer service. Payments to service the bonded indebtedness may be from ad valorem taxes, impact fees, revenue, grants, or other district monies, or combinations thereof.

The district is prohibited from issuing bonds or other obligations secured wholly or partly by ad valorem taxes for road projects unless the issuance is approved by a vote of a two-thirds majority
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of the voters. In addition, bonds for road projects may not exceed one-fourth of the assessed value of the real property in the district. Sections 49.181 and 49.182, Water Code, do not apply to road projects or to bonds issued by the district for such projects.

SECTION 2. Provides that the Collin County Municipal Utility District No. 1 retains all the rights, powers, privileges, authority, duties and functions it had before the effective date of this Act.

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: Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute amends Subchapter C by exempting certain utility entities from impact fees. These entities include electric, gas, telecommunications and cable providers.