

BILL ANALYSIS

C.S.H.B. 4041
By: Rose
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The proposed area of the Sunfield Municipal Utility District No. 3 (district) encompasses an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Buda, Hays County, Texas. It is located in both Travis and Hays Counties. The land located within the district is single-family residential and commercial development; therefore there is a need to secure roads.

CSHB 4041 provides regulations regarding the Sunfield County Municipal Utility District No. 3 (district). It provides for additional powers for the district related to the construction, maintenance, operation, and financing of roads or turnpikes. CSHB 4041 empowers the district, under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, and Section 52(b)(3), Article III, Texas Constitution, to purchase, acquire, or construct facilities for roads to serve the future occupants of the land utilizing tax-exempt bonds.

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. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8201, as follows:

CHAPTER 8201. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 3.

Subchapter A sets forth definitions, provides an exception to compliance with the Uniform Election Date (Section 41.001(a) Election Code).

Subchapter B authorizes the district to construct, acquire, improve, maintain or operate macadamized, graveled or paved roads or turnpikes or improvement to such roads or turnpikes, inside or outside the district; requires such roads to meet applicable municipal and county requirements; authorizes the district to convey such roads or road facilities to a municipality or county for ownership and maintenance, with said entity's consent; and authorizes the district to provide for the purchase or reimbursement of such road or road facility from a private person and sets forth the methods and conditions for such reimbursement or purchase, including issuance of bonds.

Subchapter C authorizes the district to impose an ad valorem tax to pay principal of and interest on bonds issued to finance such road or road facilities.

Subchapter D authorizes the district to issue bonds under certain conditions and limitations after a vote of two-thirds majority of the voters to approve such bonds.

SECTION 2. Provides that all requirements of the constitution, the laws of this state, and the rules and procedures of the legislature with respect to the notice, introduction, and passage of the Act are fulfilled and accomplished.

SECTION 3. 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 removes the provision in the original which provided that the authority of the Texas Commission on Environmental Quality (commission) over the issuance of district bonds in Section 49.181 of the Water Code and the commission's supervision of projects and improvements in Section 49.182 of the Water Code do not apply to a road project undertaken by the district or to bonds issued by the district to finance road projects.