

BILL ANALYSIS

Senate Research Center
80R17571 HLT-F

H.B. 4042
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Natural Resources
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Four municipal utility districts were created in Buda by the Texas Commission on Environmental Quality (TCEQ).

As proposed, H.B. 4042 adds certain powers and duties to the Sunfield Municipal Utility District No. 3 relating to road projects, elections, and the ability to impose taxes and issue bonds.

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 8202, as follows:

CHAPTER 8202. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8202.001. DEFINITION. Defines "district."

Sec. 8202.002. ELECTION DATE. Sets forth certain election in which Section 41.001(a) (Uniform Election Dates), Election Code, does not apply.

[Reserves Sections 8202.003–8202.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8202.051. ROAD PROJECTS. (a) Authorizes the Sunfield Municipal Utility District No. 4 (district) to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district, to the extent authorized by Section 52 (Counties, Cities, or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, Texas Constitution.

(b) Provides that a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located and each county in which the district is located.

Sec. 8202.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. Authorizes the district to convey the road or road facility to the municipality or county if the conveyance is free of all indebtedness of the district, on completion of a road or road facility authorized by this section and with the consent of a municipality or county.

Sec. 8202.053. REIMBURSEMENT FOR ROAD PROJECT. (a) Authorizes the district to reimburse a private person for money spent to construct a road facility that is dedicated

or otherwise transferred to public use or purchase a road or road facility constructed by a private person.

(b) Authorizes the amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) to include all construction costs, including engineering, legal, financing, and other expenses incident to the construction or to be at a price not to exceed the replacement cost of the road or road facility as determined by the board of directors of the district.

(c) Authorizes the reimbursement or purchase of a road or road facility to be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) Authorizes the district to enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. Authorizes the agreement to provide the terms under which the road or road facility is to be dedicated or transferred for the benefit of the public.

[Reserves Sections 8202.054–8202.100 for expansion.]

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8202.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. Authorizes the district to impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 8202.151.

[Reserves Sections 8202.102–8202.150 for expansion.]

SUBCHAPTER D. BONDS

Sec. 8202.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, and to finance the construction, maintenance, or operation of projects under Section 8202.051.

(b) Prohibits the district from issuing bonds or other obligations to finance projects authorized by Section 8202.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8202.051 from exceeding one-fourth of the assessed value of the real property in the district.

SECTION 2. Provides that all requirements of the constitution and the 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 3. Effective date: upon passage or September 1, 2007.