

BILL ANALYSIS

C.S.H.B. 4055
By: Kuempel
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.B. 4055 creates York Valley Municipal Utility District (the “District”). Currently, the land located within the boundaries of the proposed District is undeveloped. The territory of the District would lie within Guadalupe County. The District would have all of the powers granted to municipal utility districts operating pursuant to Chapters 49 and 54, Texas Water Code, with road powers pursuant to Article 3, Section 52 of the Constitution of Texas.

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 8247, as follows:

CHAPTER 8247. YORK VALLEY MUNICIPAL UTILITY DISTRICT

Subchapter A. General Provisions

Sec. 8247.001. DEFINITIONS. Defines “Board,” “Director,” and “District.”

Sec. 8247.002. NATURE OF DISTRICT. Provides that the District is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8247.003. CONFIRMATION ELECTION REQUIRED. Requires the Board to hold an election to confirm the creation of the District.

Sec. 8247.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. Provides that all land and other property included in the District will benefit from the improvements and services to be provided by the District. States that the District is created to accomplish the purposes of a municipal utility district with road powers under Section 52, Article III, Texas Constitution.

Sec. 8247.005. INITIAL DISTRICT TERRITORY. Provides that the District is initially composed of territory described by Section 2 of the Act creating this chapter and provides that a mistake in the field notes does not affect the District’s validity or powers.

Subchapter B. Board of Directors

Sec. 8247.051. DIRECTORS; TERMS. Sets forth the number and terms of directors of the Board.

Sec. 8247.052. INITIAL DIRECTORS. Provides the names of the initial directors of the Board for the District and sets forth the method of determining the terms of the initial directors.

Subchapter C. Powers and Duties

Sec. 8247.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the District has the powers and duties of a municipal utility district, as provided by general law, including Chapters 49 and 54, Water Code.

Sec. 8247.102. ROAD PROJECTS. Authorizes the District to construct, acquire, maintain or operate macadamized, graveled, or paved roads, or improvements in aid of the roads. Requires road projects to meet applicable municipal and county standards, regulations, and ordinances.

Sec. 8247.103. DIVISION OF DISTRICT. Provides that the District may be divided into two or more new districts if certain requirements are met. Sets forth the requirements and the powers and duties of any new district created by the division of the District. Describes the requirements for an order dividing the District and sets forth election requirements.

Sec. 8247.104. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES. Authorizes the District to establish, operate, maintain, or contract for operation of a fire department to provide firefighting and emergency medical services in the District. Sets forth the authorized methods for financing a fire plan.

Subchapter D. General Financial Provisions

Sec. 8247.151. ELECTIONS REGARDING TAXES OR BONDS. Authorizes the district to issue bonds that are secured by revenues or contract payments without an election. Requires the District to hold an election to obtain voter approval prior to the imposition of ad valorem taxes or the issuance of bonds payable from ad valorem taxes.

Sec. 8247.152. OPERATION AND MAINTENANCE TAX. Authorizes the District to impose an operation and maintenance tax, if authorized at an election, and to determine the applicable tax rate.

Subchapter E. Bonds

Sec. 8247.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Authorizes the District to issue bonds, notes, or other obligations to pay for authorized purposes of the District. Requires approval by two-thirds majority vote of District voters prior to issuance of bonds for road projects. Limits the issuance of bonds used to finance road projects to one-fourth of the assessed value of real property in the District.

Sec. 8247.202. TAXES FOR BONDS. Requires the District to impose a direct annual ad valorem tax to pay for principal and interest on the bonds.

SECTION 2. Sets forth the geographical boundaries of the District.

SECTION 3. Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of the Act.

SECTION 4. Provides that the effective date of the Act will be 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

C.S.H.B. 4055 removes the requirement to conduct a confirmation election by 2014 and adds an expiration date to the section pertaining to the initial board of directors.

C.S.H.B. 4055 also provides that the District may divide into two or more districts