

BILL ANALYSIS

C.S.H.B. 4081
By: O'Day
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Sedona Lakes Municipal Utility District No. 1 of Brazoria County (the “District”) will encompass an area of land inside the extraterritorial jurisdiction of the City of Manvel. The land to be located within the District will be developed into single family residential and commercial development; therefore, water, sewer, drainage and road services need to be secured. It is necessary to create the District under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. It is also necessary to empower the District with authority to impose a tax and issue bonds; granting the power of eminent domain. C.S.H.B. 4081 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the District.

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, by adding Chapter 8215 to read as follows:

CHAPTER 8215. SEDONA LAKES MUNICIPAL UTILITY DISTRICT NO. 1 OF BRAZORIA COUNTY.

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8215.001. DEFINITIONS. Defines “Board,” “Director,” and “District.”

Sec. 8215.002. NATURE OF DISTRICT. Provides that the district is a municipal utility district in Brazoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8215.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 8215.023 before September 1, 2011: (1) the district is dissolved September 1, 2011, except that the district shall: (A) pay any debts incurred; (B) transfer to Brazoria County any assets that remain after the payment of debts; and (C) maintain the organization of the district until all debts are paid and remaining assets are transferred; and (2) this chapter expires September 1, 2014.

Sec. 8215.004. INITIAL DISTRICT TERRITORY. Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter. The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect: (1) the organization, existence, or validity of the district; (2) the right of the district to impose taxes; (3) the validity of the district's bonds, notes, or indebtedness; or (4) the legality or operation of the district or the board.

[Sections 8215.005-8215.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8215.021. INITIAL DIRECTORS. Provides that the initial board consists of: (1) Kevin Curry; (2) Troy Koterak; (3) Jeff Baker; (4) Brandon Macey; and (5) Todd Aiken. Provides that the first three directors named in Subsection (a) serve until the first regularly scheduled election of directors, and the last two directors named in Subsection (a) serve until the second regularly scheduled election of directors.

Sec. 8215.022. CONSENT OF MUNICIPALITY REQUIRED. Provides that the initial directors may not hold an election under Section 8215.023 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution consenting to the creation of the district.

Sec. 8215.023. CONFIRMATION ELECTION. Provides that the initial directors shall hold an election to confirm the creation of the district.

Sec. 8215.024. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2011.

[Sections 8215.025-8215.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8215.051. GOVERNING BODY; TERMS. Provides that the district is governed by a board of five directors. Provides that directors serve staggered four-year terms.

[Sections 8215.052-8215.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8215.101. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8215.102. ROAD PROJECTS. Provides that to the extent authorized by Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads, or improvements in aid of those roads, inside the district. 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. Provides that the district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by resolution.

Sec. 8215.103. COMPLIANCE WITH MUNICIPAL ORDINANCES OR RESOLUTIONS. The district shall comply with all applicable requirements of any ordinance or resolution adopted by the governing body of the City of Manvel that consents to the creation of the district.

[Sections 8215.104-8215.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8215.151. TAX TO REPAY BONDS. Provides that the district may impose a tax to pay the principal of or interest on bonds or other obligations issued under Section 8215.201.

[Sections 8215.152-8215.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 8215.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. Provides the district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of a project under Section 8215.101 or

8215.102. Provides the district may not issue bonds or other obligations to finance projects authorized by Section 8215.102 unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election called for that purpose. Provides that bonds or other obligations issued or incurred to finance projects authorized by Section 8215.102 may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. Sets forth the boundaries of the District.

SECTION 3. Provides that legal notice of the intention to introduce this Act, setting forth the general substance of this Act has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code. Provides that the Governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality. Provides that the Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the Governor, Lieutenant Governor, and Speaker of the House of Representatives within the required time. 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. Provides that this Act takes effect September 1, 2007.

EFFECTIVE DATE

September 1, 2007.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 4081 inserts the appropriate Chapter and Section numbers throughout the bill, and renumbers several sections as noted below. There are no substantive revisions in the substitute.

C.S.H.B. 4081 revises Sec. ____.003(1) to provide that the district is dissolved September 1, 2011, except that the district shall: pay any debts incurred; transfer to Brazoria County any assets that remain after the payment of debts; and maintain the organization of the district until all debts are paid and remaining assets are transferred.

The substitute renumbers _____.021 (Board of Directors; Terms) to 8215.051 and changes "Board of Directors; Terms" to "Governing Body; Terms."

The substitute adds Subchapter A-1

The substitute removes Sec. _____.022 (Election of Directors).

The substitute renumbers Sec. _____.023 to Sec. 8215.021 and amends Sec. _____.023(b) to provide that the first three directors named in Subsection (a) serve until the first regularly scheduled election of directors.

The substitute renumbers Sec. _____.024 to Sec. 8215.022 and amended to provide that the initial directors may not hold an election under Section 8215.023 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has adopted a resolution consenting to the creation of the district.

The substitute renumbers Sec. _____.025 (Confirmation Election and Initial Directors Election) to Sec. 8215.023 and renames the Section (Confirmation Election). It is also amended to provide that the initial directors shall hold an election to confirm the creation of the district.

The substitute renumbers Sec. _____.026 to Sec. 8215.024.

The substitute adds Section 8215.023.

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