

BILL ANALYSIS

H.B. 2102
By: Dutton
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The land located within the proposed Harris County Municipal Utility District No. 403 is a single family residential and commercial development and road services need to be secured. The district would encompass an area of land outside of the corporate limits of any city and within the extraterritorial jurisdiction of the City of Houston.

H.B. 2102 creates Harris County Municipal Utility District No. 403 and provides regulations regarding the district's road powers and all the powers granted to municipal utility districts operating under Texas law, allowing the district to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds. The bill also authorizes the district to impose a tax to repay 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

H.B. 2102 amends the Special District Local Laws Code to grant the Harris County Municipal Utility District No. 403 the powers and duties provided by the general law of Texas. The bill sets forth general provisions for the power of the district to undertake certain road projects and the approval necessary and the standards and requirements for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain.

H.B. 2102 authorizes the district to issue bonds and obligations and to impose a tax to pay the principal interest on bonds. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill prohibits the district from issuing bonds payable from property taxes to finance a road project unless approved by a vote of a two-thirds majority of district voters. The bill requires the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes to not exceed one-fourth of the assessed value of the real property in the district at the time of issuance. The bill defines the term "district."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.