

BILL ANALYSIS

H.B. 2231
By: Phillips
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The proposed Van Alstyne Municipal Utility District No. 1 of Grayson County will encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Van Alstyne, Texas. The land will be utilized for single family residential and commercial development and water, sewer, drainage, and road services need to be secured.

H.B. 2231 creates the Van Alstyne Municipal Utility District No. 1 of Grayson County in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land. The bill also provides the district the authority to impose a tax and to issue 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. 2231 amends the Special District Local Laws Code to set forth standard language for the creation of the Van Alstyne Municipal Utility District No. 1 of Grayson County. The bill sets forth general provisions for: the nature of the district, the confirmation of the district and election of the board of directors, municipal consent, the district's public purpose and benefit, and initial district territory; the number of members and terms of the board of directors of the district, including provisions for temporary directors; the powers and duties of the district, including the power to undertake certain road projects and approval necessary for such projects, the road standards and requirements, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain; and the procedures for the division of the district, and a prohibition on annexation of any territory outside the initial district boundaries unless the City of Van Alstyne consents by ordinance or resolution.

H.B. 2231 sets forth general financial provisions authorizing a district to issue bonds and other obligations, to impose a property tax for operations and maintenance, and to impose contract taxes, subject to the approval of district voters with limited exception. 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 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 sets forth in detail the initial boundaries of the district. The bill defines the terms "board," "director," and "district."

EFFECTIVE DATE

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