

BILL ANALYSIS

H.B. 3223
By: Parker
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The proposed East Denton County Municipal Utility District No. 1 will encompass an area of land outside the corporate limits and extraterritorial jurisdiction of any city and within Denton County, Texas. The land to be located within the district will be utilized for a single-family residential and a commercial development, and therefore water, sewer, drainage, and road services need to be secured.

H.B. 3223 creates the East Denton County Municipal Utility District No. 1, providing the district all the powers granted to municipal utility districts operating under existing provisions of the Water Code and the Texas Constitution. The bill authorizes the district to impose a tax and 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. 3223 amends the Special District Local Laws Code to set forth standard language for the creation of the East Denton County Municipal Utility District No. 1. 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 the standards and requirements for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain.

H.B. 3223 sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, impose a property tax for operations and maintenance, and impose contract taxes. 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 total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes from exceeding 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

September 1, 2009.