

BILL ANALYSIS

H.B. 3990
By: Riddle
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Northampton Municipal Utility District will encompass an area of land outside of the corporate limits of any city and within the extraterritorial jurisdiction of Houston, Harris County, Texas. The district desires to establish and administer defined areas within the boundaries of the district, notwithstanding any acreage limitation set forth in the Water Code. The land located within the defined areas to be established by the district is single family residential and commercial development, and therefore road services need to be secured.

H.B. 3990 authorizes the district to undertake certain road projects in defined areas and to purchase, acquire, or construct facilities for such roads to serve the future occupants of a defined area utilizing tax exempt bonds. The bill authorizes the district to impose a tax in defined areas to repay bonds and changes the name of the district from "Norchester Municipal Utility District" to "Northampton Municipal Utility 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

H.B. 3990 amends Chapter 608, Acts of the 60th Legislature, Regular Session, 1967, to rename the "Norchester Municipal Utility District" the "Northampton Municipal Utility District." The bill authorizes the district to establish and administer defined areas of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole. The bill authorizes the district to undertake certain road projects in a defined area. The bill authorizes the district to issue bonds or other obligations to finance such road projects and impose a property tax in a defined area to pay the principal of or interest on those bonds. The bill prohibits the district from issuing bonds or other obligations payable by property taxes to finance a road project unless approved by a vote of a two-thirds majority of the voters of the defined area. The bill prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects benefiting a defined area from exceeding one-fourth of the assessed value of the real property in the defined area at the time of issuance.

H.B. 3990 validates and confirms in all respects the act or proceeding relating to the change of name of the Norchester Municipal Utility District to the Northampton Municipal Utility District. The bill specifies that the validation provisions do not apply to any matter that on the effective date of this bill is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

EFFECTIVE DATE

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