

## **BILL ANALYSIS**

H.B. 4698  
By: King, Phil  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Lake Weatherford Municipal Utility Districts Nos. 1 and 2 will encompass an area of land partially within the corporate limits of the City of Weatherford and partially within the extraterritorial jurisdiction of the City of Weatherford. The proposed districts will have all of the powers granted to municipal utility districts operating pursuant to the Water Code and road powers pursuant to the Texas Constitution.

H.B. 4698 creates the Lake Weatherford Municipal Utility Districts Nos. 1 and 2.

### **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. 4698 amends the Special District Local Laws Code to set forth standard language for the creation of Lake Weatherford Municipal Utility Districts Nos. 1 and 2. The bill sets forth general provisions for the nature of the districts, the confirmation of the districts and election of the board of directors of each district, municipal consent, the districts' public purpose and benefit, and initial district territory for each district; the number of members and terms of the board of directors of each district, including provisions for temporary directors; the powers and duties of the districts, including the power to undertake certain road projects and the standards and requirements for such projects, required compliance with municipal ordinances and resolutions, and the limited use of eminent domain; and the procedures for the division of the districts.

H.B. 4698 prohibits the districts from annexing land that is located in the extraterritorial jurisdiction of a municipality unless the City of Weatherford provides written consent to that annexation. The bill authorizes the City of Weatherford to annex part of the territory of the districts and sets forth provisions for such an annexation.

H.B. 4698 sets forth general financial provisions authorizing the districts, subject to the approval of district voters with limited exception, to issue bonds and other obligations, to impose a property tax for operations and maintenance, and to impose contract taxes. The bill requires the board of each district, 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. 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 a district at the time of issuance. The bill sets forth in detail the initial boundaries of each 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.