

## **BILL ANALYSIS**

H.B. 4702  
By: Laubenberg  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Sienna Ranch Municipal Utility District No. 1 of Collin County will encompass an area of land within Collin County, Texas, outside the corporate limits and extraterritorial jurisdiction of any city. The land to be located within the district will be developed into single family residential and commercial development. Therefore, water, sewer, drainage, and road services need to be secured. It is necessary to create the district under certain provisions in order to purchase, acquire, or construct facilities utilizing tax exempt bonds for such services to serve the future occupants of the land. It is also necessary to grant the district the power of eminent domain and to empower the district with the authority to impose a tax and to issue bonds.

H.B. 4702 establishes provisions regarding the creation, administration, powers, duties, operation, future annexation and dissolution, and financing of the 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. 4702 amends the Special District Local Laws Code to set forth standard language for the creation of the Sienna Ranch Municipal Utility District No. 1 of Collin 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 and required annexation, 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; and the powers and duties of the district, including the power to undertake certain road projects and the road standards and requirements for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain. The bill authorizes the City of Nevada to annex part of the territory of the district into its corporate limits without annexing all of the territory under an agreement entered into before the effective date of this bill and provides for the dissolution of the district once all the district's territory has been annexed.

H.B. 4702 sets forth general financial provisions authorizing a 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 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 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.