

BILL ANALYSIS

C.S.H.B. 4710
By: Aycock
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Development and growth in Burnet County has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and major thoroughfare improvements. The Texas Constitution provides for the creation of local governmental districts authorized to incur debt to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such debt.

C.S.H.B. 4710 creates the Clearwater Ranch Municipal Utility District No. 1 in Burnet County, Texas, with limited road powers.

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

C.S.H.B. 4710 amends the Special District Local Laws Code to set forth standard language for the creation of the Clearwater Ranch Municipal Utility District No. 1 in Burnet 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 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 district.

C.S.H.B. 4710 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 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.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4710 removes provisions in the original authorizing landowners, upon division of the district, to submit a petition to the Texas Commission on Environmental Equality requesting the appointment of the persons named in the petition as temporary directors of a new district created by division of the initial district.

C.S.H.B. 4710 removes provisions in the original providing that municipal consent for the creation of the district and inclusion of land in the district acts as consent to the creation of any district created by division of the initial district, and instead adds provisions requiring the consent of a commissioners court or municipality to any new district created by division of the initial district.