

BILL ANALYSIS

H.B. 4712
By: Laubenberg
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Collin County Municipal Utility District No. 1 was created by an order of the Texas Commission on Environmental Quality dated February 24, 2005. The district obtained the authority to construct, acquire, improve, and maintain roads and to issue bonds and levy a property tax to fund such projects, as well as certain other powers.

The district encompasses approximately 800 acres of undeveloped land located in the unincorporated area of Collin County, and within the extraterritorial jurisdiction of the City of Celina. The land will be developed into a mixed-use residential and commercial development. The district is substantially larger than a typical district and development is planned to take place in stages over time to meet the changing demand for new homes. Not all land within the district will benefit from facilities constructed to serve specific phases of its development. Consequently, retaining all land within the district and subjecting the land to taxation until the district extends its facilities and services throughout its boundaries creates an economic burden on district land not slated for development until later. By dividing the district, the land within the resulting districts will bear property taxes and other costs proportionate to and at the time benefits are received.

H.B. 4712 authorizes the Collin County Municipal Utility District No. 1 to divide into two or more districts in order to allow for efficient development of district land and address the cyclical nature of the real estate market.

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. 4712 amends Subchapter B, Chapter 8164, Special District Local Laws Code, as added by Chapter 1067 (H.B. 2442), Acts of the 80th Legislature, Regular Session, 2007, to authorize the Collin County Municipal Utility District No. 1 to divide into two or more districts in accordance with certain provisions in the Water Code. The bill authorizes the board of directors of the district to consider a proposal to divide the district on petition of any district landowner or on motion of the board and prohibits a division of the district that results in the creation of a new district that contains land outside of the boundaries of the district as it existed on January 1, 2009. The bill specifies that Water Code provisions that require consent from a city to include city land within a district and that require consent from a municipality for the creation of a district in the extraterritorial jurisdiction of the municipality do not apply to the division of the district.

EFFECTIVE DATE

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

