

## **BILL ANALYSIS**

H.B. 4716  
By: Creighton  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, the land located within the boundaries of the proposed Harris County Municipal Utility District No. 525 is undeveloped. The territory of the proposed district lies partially within the corporate limits and partially within the extraterritorial jurisdiction of the City of Houston and of Harris County.

H.B. 4716 establishes the Harris County Municipal Utility District No.525.

### **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. 4716 amends the Special District Local Laws Code to set forth standard language for the creation of the Harris County Municipal Utility District No. 525. 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; and the powers and duties of the district, including the power to undertake certain road projects and the approval necessary for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain.

H.B. 4716 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.