

BILL ANALYSIS

C.S.H.B. 4717
By: Keffer
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The legislature is authorized by the Texas Constitution to create districts with the authority to issue debt backed by tax revenue in order to, among other things, construct roadways, install water and wastewater infrastructure, manage storm water drainage, develop and diversify the state economy, eliminate unemployment and underemployment, and develop and expand transportation and commerce.

Plans exist for the development of Maverick, a 1,400-acre community in Palo Pinto County containing approximately 600 residences and amenities, such as hike and bike trails, public boat ramps, parks, a town center and access to the water bodies in the area. A district is necessary to facilitate the development.

C.S.H.B. 4717 creates the Maverick Improvement District of Palo Pinto County to provide a mechanism for financing the improvements and infrastructure necessary to serve the Maverick development.

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. 4717 amends the Special District Local Laws Code to set forth standard language for the creation of the Maverick Improvement District of Palo Pinto 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 ordinance and resolutions, the limited use of eminent domain, and the procedures for the division of the district. The bill authorizes the district to make agreements and accept grants and grants the district the powers of a county development district to promote tourism in the district and its vicinity.

C.S.H.B. 4717 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, impose contract taxes, a sales and use tax, and a hotel occupancy tax. 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 prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes from exceeding 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

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4717 differs from the original by changing the boundaries of the district to make a correction.