

BILL ANALYSIS

C.S.H.B. 4719
By: Aycock
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The proposed Burnet County Municipal Utility District No. 3 will encompass an area of land within the corporate limits of the city of Granite Shoals, within the extraterritorial jurisdiction of the city of Granite Shoals and outside the corporate limits of any city in Burnet County, Texas. The land to be located within the district will be used for single-family residential and commercial development, therefore water, sewer, drainage, and road services need to be secured.

C.S.H.B. 4719 creates the Burnet County Municipal Utility District No. 3, providing the district all the powers granted to municipal utility districts operating under the Water Code and Texas Constitution. The bill authorizes the district to impose a tax and issue bonds.

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. 4719 amends the Special District Local Laws Code to set forth standard language for the creation of the Burnet County Municipal Utility District No. 3. 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, prohibited annexation of property without written consent of the landowner, the limited use of eminent domain, and the procedures for the division of the district. The bill prohibits the Texas Commission on Environmental Quality from granting a petition to create other municipal utility districts containing any territory of the district before December 31, 2011. The bill authorizes a municipality to annex all or part of the territory of the district or any new district created by division of the district only as provided by an annexation agreement.

C.S.H.B. 4719 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 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

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. 4719 differs from the original by applying certain drafting conventions for municipal utility district legislation. The substitute adds provisions not in the original requiring municipal consent for the creation of the Burnet County Municipal Utility District No. 3. The substitute removes provisions in the original requiring municipal or county consent to undertake a road project. The substitute removes provisions in the original authorizing the district to contract for road projects. The substitute adds provisions not in the original requiring district compliance with a municipal consent ordinance or resolution. The substitute adds provisions not in the original authorizing a municipality to annex district territory. The substitute adds provisions not in the original limiting the district's power of eminent domain.

C.S.H.B. 4719 adds provisions not in the original prohibiting the Texas Commission on Environmental Quality from granting a petition to create other municipal utility districts containing any territory of this bill's district before December 31, 2011.

C.S.H.B. 4719 adds provisions not in the original authorizing the district to issue, without an election, bonds and other obligations secured by revenue other than property taxes. The substitute adds provisions not in the original authorizing the district to impose a property tax for operations and maintenance and to impose contract taxes.

C.S.H.B. 4719 differs from the original by requiring 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, whereas the original authorized the district to impose a tax to pay the principal of and interest on district-issued bonds.