

## **BILL ANALYSIS**

H.B. 4723  
By: Taylor  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Bayview Municipal Utility District of Galveston County encompasses an area within the corporate limits of Kemah, Galveston County, Texas. The district wishes to establish and administer defined areas within the boundaries of the district, notwithstanding any acreage limitation set forth by state law. The land located within the defined areas to be established by the district is single family residential and commercial development, and road services need to be secured. It is necessary to empower the district to purchase, acquire, or construct facilities for such roads to serve the future occupants of a defined area utilizing tax exempt bonds, and it is necessary to authorize the district to impose a tax to repay bonds.

H.B. 4723 provides the district road powers within defined areas of the district. The bill authorizes the district to issue bonds and assess property taxes for this purpose.

### **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. 4723 amends the Special District Local Laws Code to update the powers and duties of the Bayview Municipal Utility District of Galveston County. The bill authorizes the district to establish and administer defined areas as provided by state law on municipal utility districts. The bill authorizes the district to construct, acquire, improve, maintain, or operate in a defined area macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads. The bill authorizes the district to issue bonds or other obligations to finance the projects, and it authorizes the district to impose a property tax on real property in a defined area to pay the principal of or interest on bonds to finance projects benefiting the defined area.

H.B. 4723 prohibits the district from issuing bonds or other obligations secured wholly or partly by property taxes to finance a project unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area to be benefited by the project voting at an election. The bill specifies that the simple majority vote approval under state law on declaring result and issuing order does not apply to such an election. The bill prohibits the total principal amount of bonds or other obligations issued or incurred to finance projects, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the defined area.

### **EFFECTIVE DATE**

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