

BILL ANALYSIS

H.B. 4725
By: Rose
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

H.B. 4725 creates the Caldwell County Municipal Utility District No. 1.

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. 4725 amends the Special District Local Laws Code to set forth standard language for the creation of the Caldwell County Municipal Utility District No. 1. 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, and the limited use of eminent domain; and the procedures for the division of the district. The bill prohibits developers from beginning construction or development of a project in the district unless the developer has entered into a contract with an appropriate entity for the provision of water and sewer services for the project. The bill requires a developer who undertakes a project to enter into an agreement with the Texas Department of Transportation, the commissioners court of any county in whose jurisdiction the district is located, or another appropriate entity to make improvements in the roads surrounding the district to mitigate traffic problems the project is anticipated to cause or create.

H.B. 4725 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.