

BILL ANALYSIS

H.B. 4744
By: Gallego
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Lajitas Utility District No. 1 of Brewster County will encompass an area of land outside the corporate limits and the extraterritorial jurisdiction of any city and within Brewster County, Texas. The land to be located within the district is slated for single-family residential and commercial development, therefore, water, sewer, drainage and road services need to be secured. It is necessary to create the district to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds. It is also necessary to authorize the district to impose a tax and issue bonds and grant the power of eminent domain.

H.B. 4744 sets forth provisions regarding the creation, administration, powers, duties, operation, and financing of the Lajitas Utility District No. 1 of Brewster County.

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. 4744 amends the Special District Local Laws Code to set forth standard language for the creation of the Lajitas Utility District No. 1 of Brewster 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, 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 authority to provide municipal improvement projects and services, the power to undertake certain road projects and the approval necessary for such projects, required compliance with municipal ordinance and resolutions, the limited use of eminent domain, the procedures for the division of the district, the authority to provide electric power facilities and an airport, and the authority to exercise the powers of a development corporation created under the Development Corporation Act.

H.B. 4744 sets forth general financial provisions authorizing the district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, to impose a property tax for operations and maintenance, contract taxes, a hotel occupancy tax, and a sales and use tax, and to levy and collect special assessments. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a 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.