

## **BILL ANALYSIS**

H.B. 4751  
By: Laubenberg  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Van Alstyne Municipal Utility District No. 2 of Collin County will encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Van Alstyne, Collin County, Texas. The land to be located within the district will be developed into single-family residential and commercial development; therefore, water, sewer, drainage, and road services need to be secured. It is necessary to create the districts under Chapters 49 and 54, Water Code, relating to provisions applicable to all districts and municipal utility districts, respectively, and Section 59, Article XVI, Texas Constitution, in order 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 empower the district with authority to impose a tax and issue bonds and to grant the power of eminent domain.

H.B. 4751 provides for the creation, administration, powers, duties, operation, and financing of the district.

### **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. 4751 amends the Special District Local Laws Code to set forth standard language for the creation of the Van Alstyne Municipal Utility District No. 2 of Collin 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, and the limited use of eminent domain; the procedures for the division of the district; and the limitation on annexation without municipal consent by ordinance or resolution.

H.B. 4751 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.