

BILL ANALYSIS

H.B. 4757
By: Eissler
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Continuing development and growth in Montgomery County has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, recreational facilities, and major thoroughfare improvements. The Texas Constitution provides for the creation of local governmental districts which are authorized to incur indebtedness to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

H.B. 4757 creates the Montgomery County Municipal Utility District No. 118 and authorizes the district to undertake and finance certain road projects.

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. 4757 amends the Special District Local Laws Code to set forth standard language for the creation of the Montgomery County Municipal Utility District No. 118. 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 approval necessary for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain.

H.B. 4757 sets forth general financial provisions authorizing a 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.