

BILL ANALYSIS

C.S.H.B. 4790
By: Phillips
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the land located within the boundaries of the proposed Brown's Ranch Municipal Utility District No. 1 of Grayson County will encompass an area of land outside the corporate limits and the extraterritorial jurisdiction of any city and within Grayson County. 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 district 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 authorize the district to impose a tax and issue bonds and grant a limited power of eminent domain.

C.S.H.B. 4790 creates the Brown's Ranch Municipal Utility District No. 1 of Grayson County and sets forth provisions for the 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

C.S.H.B. 4790 amends the Special District Local Laws Code to set forth standard language for the creation of the Brown's Ranch Municipal Utility District No. 1 of Grayson 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 consent ordinances and resolutions, the limited use of eminent domain, a limitation on annexation, and the procedures for the division of the district. The bill requires the district to bear the costs for maintaining, operating, improving, and repairing a road located in the district regardless of whether the district conveys the road to the state, a county, or a municipality.

C.S.H.B. 4790 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

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4790 adds a provision not in the original requiring the Brown's Ranch Municipal Utility District No. 1 of Grayson County to bear the cost of maintaining, improving, operating, and repairing a road project that is located in the district, regardless of whether the district conveys the road to the state, a county, or a municipality.

C.S.H.B. 4790 adds a provision not in the original prohibiting the district from annexing land without the written consent by resolution or ordinance of each municipality in whose corporate limits or extraterritorial jurisdiction the land is located and the written consent of each water or sewer service provider that holds a certificate of public convenience and necessity and whose certificated service area includes any part of the land.

C.S.H.B. 4790 makes a technical correction in the description of the metes and bounds of TRACT 2 of the district.