

BILL ANALYSIS

H.B. 4803
By: Maldonado
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The South Fork Ranch Municipal Utility District, as proposed, will encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of Hutto, Texas. The land located within the district is set to be used for single-family residential and commercial development; therefore, water, sewer, drainage, and road services need to be secured for such development.

H.B. 4803 creates the South Fork Ranch Municipal Utility District in order to purchase, acquire, or construct facilities for water, sewer, drainage, and road services to serve the future occupants of the land using tax exempt bonds. The bill also provides regulations regarding 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

H.B. 4803 amends the Special District Local Laws Code to set forth standard language for the creation of the South Fork Ranch Municipal Utility District. 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 approval necessary for such projects, required compliance with municipal ordinances and resolutions, and the limited use of eminent domain. The bill requires the district, at the district's expense, to repair and maintain the streets in the district after the 10th anniversary of the effective date of this bill.

H.B. 4803 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.