

## **BILL ANALYSIS**

C.S.H.B. 4817  
By: Gattis  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, the 600 acres located within the boundaries of the proposed Goodwater Municipal Utility District No. 1 are undeveloped. The territory of the district will lie outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Georgetown, Williamson County, Texas. The district will have all of the powers granted to municipal utility districts operating pursuant to Chapters 49 and 54, Water Code, with broad powers pursuant to Section 52, Article III, Texas Constitution. The district will have the ability to promote, develop, and maintain economic development in the district, the powers associated with a library district, the ability to impose a hotel occupancy tax, and the ability to create and impose a sales and use tax.

C.S.H.B. 4817 creates the Goodwater Municipal Utility District No. 1.

### **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. 4817 amends the Special District Local Laws Code to set forth standard language for the creation of the Goodwater Municipal Utility District No. 1 in Williamson 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, initial district territory, and the relation of the bill to other law. The bill sets forth provisions for the number of members and terms of the district's board of directors, 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, street repair and maintenance, regional waste disposal powers and duties, and wastewater treatment facility design. The bill specifies that only the Brazos River Authority or a provider approved by the Brazos River Authority may provide wastewater service in the district. The bill requires the district to comply with the February 2005 "Agreement Regarding Sewer Services Areas and Customers."

C.S.H.B. 4817 authorizes the district to exercise the powers of a library district and a development corporation. The bill sets forth provisions relating to required compliance with municipal ordinance and resolutions, the limited use of eminent domain, and the procedures for the division of the district.

C.S.H.B. 4817 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 and a hotel occupancy tax. 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," "district," "hotel," "room rate," "taxable item," and "use."

C.S.H.B. 4817 sets forth provisions for the adoption, imposition, election, and administration of a sales and use tax by the district. The bill authorizes the district to use the proceeds of the tax for any district purpose. The bill specifies the adoption of the tax or change in rate of the tax takes effect after the expiration of the first complete calendar quarter after the date the comptroller of public accounts receives notice of the election results.

#### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4817 designates the Goodwater Municipal Utility District No. 1 as a combined powers district, whereas the original makes it a municipal utility district. The substitute includes a provision not in the original specifying the district is created for the purpose of promoting, developing, encouraging, and maintaining employment, commerce, economic development, and the public welfare. The substitute adds provisions not in the original granting the district the powers of a library district and a development corporation, and authorizing the district to impose a hotel occupancy tax and a sales and use tax.