

## **BILL ANALYSIS**

H.B. 1756  
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Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current Texas law provides for the creation of conservation and reclamation districts that are, subject to voter approval, authorized to incur debt to provide permanent improvements and to levy taxes for the maintenance and operation of improvements and for the repayment of debt. H.B. 1756 creates a conservation and reclamation district in Travis County to be known as the Pilot Knob Municipal Utility District No. 2.

### **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. 1756 amends the Special District Local Laws Code to create the Pilot Knob Municipal Utility District No. 2. The bill sets out provisions relating to the nature of the district; an election to confirm the district and to elect a permanent board of directors; municipal consent to the creation of the district and to the inclusion of land in the district; the district's public purpose and benefit; and the initial district territory. The bill sets out provisions relating to the number and terms of the members of the district board of directors, including provisions for temporary directors; the powers and duties of the district, including the authority to undertake certain road projects and the requirements for approval of a road project; and mandatory compliance with any municipal consent ordinance or resolution. The bill prohibits the district from exercising the power of eminent domain outside the district to acquire a site or easement for an authorized road project or a recreational facility.

H.B. 1756 sets out provisions authorizing the district to issue, without an election, bonds and other obligations secured by revenue other than property taxes or by certain contract payments. The bill authorizes the district, subject to the approval of district voters, to impose a property tax and issue bonds payable from property taxes, but the district is prohibited from issuing bonds payable from property taxes to finance a road project unless the issuance is approved by a two-thirds majority of district voters. The bill authorizes the district to impose an operation and maintenance tax if it is authorized at an election and to impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a voter-approved contract. The bill authorizes the district to issue bonds or other obligations payable wholly or partly from property taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, and 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. 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 out in detail the initial boundaries of the district. The bill defines "board," "director," and "district."

**EFFECTIVE DATE**

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2011.