

## **BILL ANALYSIS**

H.B. 2893  
By: Isaac  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

H.B. 2893 seeks to add more than 1,000 acres to the Ranch at Clear Fork Creek Municipal Utility District No. 1 currently located partially in the city limits or extraterritorial jurisdiction of the City of Uhland and located within Caldwell County and to grant additional powers to the district. The bill seeks to establish provisions relating to the district, provides authority to impose a tax and issue bonds, and grants limited power of eminent domain.

### **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. 2893 amends the Special District Local Laws Code to establish provisions relating to the Ranch at Clear Fork Creek Municipal Utility District No. 1. 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; and added territory and municipal consent to the inclusion of land in the district in regard to the added 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, and the powers and duties of the district, including the authority to undertake certain road projects and the applicable road standards and requirements. The bill, if it receives a two-thirds vote of all the members elected to each house, 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. The bill, if it does not receive such a vote, prohibits the district from exercising the power of eminent domain.

H.B. 2893 sets out provisions relating to division of the district and applicable prerequisites, law applicable to a new district, a limitation on the area of a new district, division procedures, a confirmation and directors' election for a new district, and municipal consent. The bill authorizes a new district, subject to voter approval, to impose a maintenance tax or issue bonds payable wholly or partly from property taxes.

H.B. 2893 prohibits the Ranch at Clear Fork Creek Municipal Utility District No. 1 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 and authorizes the district to impose a tax to pay the principal of or interest on such bonds. 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 boundaries of the added district territory and makes provision for certain mistakes in the description of the boundaries. The bill defines "board," "commission," "director," and "district."

### **EFFECTIVE DATE**

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