

## **BILL ANALYSIS**

Senate Research Center  
82R7657 PMO-D

H.B. 3803  
By: Phillips (Estes)  
Intergovernmental Relations  
5/17/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The proposed Cottonwood Municipal Utility District No. 2 (district) encompasses an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Dorchester, Grayson County, Texas. The land to be located within the district may be developed into single-family residential and commercial development and may require water, sewer, drainage, and road services. H.B. 3803 seeks to create the district so that the district can purchase, acquire, or construct facilities for such services to serve the future occupants.

H.B. 3803 amends current law relating to the creation of the Cottonwood Municipal Utility District No. 2 of Grayson County, provides authority to impose a tax and issue bonds, and grants a limited power of eminent domain.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8309, as follows:

#### CHAPTER 8309. COTTONWOOD MUNICIPAL UTILITY DISTRICT NO. 2 OF GRAYSON COUNTY

Sets forth standard language for the creation of the Cottonwood Municipal Utility District No. 2 (district) in Grayson County. Sets forth standards, procedures, requirements, and criteria for:

General provisions of the district (Sections 8309.001-8309.050);

Size, composition, election, and terms of the board of directors of the district (Sections 8309.051-8309.100);

Powers and duties of the district (Sections 8309.101-8309.150);

Division of district into multiple districts (Sections 8309.151-8309.200);

General financial provisions of the district and authority to impose a tax (Sections 8309.201-8309.250); and

Bonds and other obligations of the district (Sections 8309.251-8309.253).

Prohibits the district from exercising the power of eminent domain outside the district by the district to acquire a site or easement for a road project authorized by Section 8309.103 or a recreational facility as defined by Section 49.462 (Definitions), Water Code.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. (a) Effective date, Section 8309.109, Special District Local Laws Code, as added by Section 1 of this Act: upon passage.

(b) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8309, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8309.109, as follows:

Sec. 8309.109. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2011.