

## **BILL ANALYSIS**

C.S.H.B. 3918  
By: Isaac  
Special Purpose Districts  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that Needmore Ranch is an approximately 5,000-acre property in Hays County, located wholly outside the corporate and extraterritorial boundaries of any municipality, which the landowner desires to develop as a master planned community. The parties note that the creation of a municipal utility district will help facilitate the uniform and efficient development of the property using a centralized water system and wastewater collection and treatment system, rather than having the property developed in reliance on individual water wells and on-site sewage systems. C.S.H.B. 3918 seeks to address this issue by providing for the creation of the Needmore Ranch 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. 3918 amends the Special District Local Laws Code to create the Needmore Ranch Municipal Utility District No. 1, subject to voter approval at a confirmation election and municipal consent. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. 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 except as required for the purpose of importing surface water into the district. The bill, if it does not receive such a vote, prohibits the district from exercising the power of eminent domain.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

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

While C.S.H.B. 3918 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### **INTRODUCED**

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8471 to read as follows:  
**CHAPTER 8471. NEEDMORE RANCH MUNICIPAL UTILITY DISTRICT NO. 1**

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8471 to read as follows:  
**CHAPTER 8471. NEEDMORE RANCH MUNICIPAL UTILITY DISTRICT NO. 1**

83R 26024

13.120.532

Substitute Document Number: 83R 24623

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8471.001. DEFINITIONS.

Sec. 8471.002. NATURE OF DISTRICT.

Sec. 8471.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 8471.004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. 8471.005. LEGISLATIVE FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

Sec. 8471.006. INITIAL DISTRICT TERRITORY.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8471.051. GOVERNING BODY; TERMS.

Sec. 8471.052. TEMPORARY DIRECTORS.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8471.101. GENERAL POWERS AND DUTIES.

Sec. 8471.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

**No equivalent provision.**

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8471.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8471.152. OPERATION AND MAINTENANCE TAX.

Sec. 8471.153. CONTRACT TAXES.

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8471.001. DEFINITIONS

Sec. 8471.002. NATURE OF DISTRICT.

Sec. 8471.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED

Sec. 8471.004. CONSENT OF MUNICIPALITY REQUIRED.

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SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8471.051. GOVERNING BODY; TERMS.

Sec. 8471.052. TEMPORARY DIRECTORS.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8471.101. GENERAL POWERS AND DUTIES.

Sec. 8471.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8471.103. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain except as required for the purpose of importing surface water into the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8471.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8471.152. OPERATION AND MAINTENANCE TAX.

Sec. 8471.153. CONTRACT TAXES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8471.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8471.202. TAXES FOR BONDS.

SECTION 2. Establishes the initial boundaries for the Needmore Ranch Municipal Utility District No. 1.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and 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.

**No equivalent provision.**

(a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8471, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8471.103 to read as follows:

Sec. 8471.103. NO EMINENT DOMAIN POWER. The district may not exercise the

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8471.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8471.202. TAXES FOR BONDS.

SECTION 2. Substantially the same as introduced version, except to make a technical correction.

SECTION 3. Same as introduced version.

SECTION 4.

(a) Section 8471.103, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8471, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8471.103 to read as follows:

Sec. 8471.103. NO EMINENT DOMAIN POWER. The district may not exercise the

power of eminent domain.

(b) 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. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

power of eminent domain.

(c) 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. Same as introduced version.