

## **BILL ANALYSIS**

C.S.H.B. 2566  
By: Stucky  
Special Purpose Districts  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties contend that undeveloped land located within a portion of Denton County would benefit from the creation of a municipal utility district. C.S.H.B. 2566 seeks to provide for the creation of such a district.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 2566 amends the Special District Local Laws Code to create the Denton County Municipal Utility District No. 9, subject to municipal consent and voter approval at a confirmation election. The bill grants the district the power to undertake certain road projects and provides for the district's authority regarding firefighting services and the imposition of fees and charges. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill expressly prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all the members elected to each house.

### **EFFECTIVE DATE**

September 1, 2017.

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

While C.S.H.B. 2566 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted 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 7977 to read as follows:  
CHAPTER 7977. DENTON COUNTY

#### **HOUSE COMMITTEE SUBSTITUTE**

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7977 to read as follows:  
CHAPTER 7977. DENTON COUNTY

MUNICIPAL UTILITY DISTRICT NO. 9  
SUBCHAPTER A. GENERAL  
PROVISIONS

Sec. 7977.001. DEFINITIONS.

Sec. 7977.002. NATURE OF DISTRICT.

Sec. 7977.003. CONFIRMATION AND  
DIRECTORS' ELECTION REQUIRED.

Sec. 7977.004. CONSENT OF  
MUNICIPALITY REQUIRED.

Sec. 7977.005. FINDINGS OF PUBLIC  
PURPOSE AND BENEFIT.

Sec. 7977.006. INITIAL DISTRICT  
TERRITORY.

SUBCHAPTER B. BOARD OF  
DIRECTORS

Sec. 7977.051. GOVERNING BODY;  
TERMS.

Sec. 7977.052. TEMPORARY  
DIRECTORS.

SUBCHAPTER C. POWERS AND  
DUTIES

Sec. 7977.101. GENERAL POWERS AND  
DUTIES.

Sec. 7977.102. MUNICIPAL UTILITY  
DISTRICT POWERS AND DUTIES.

Sec. 7977.103. AUTHORITY FOR ROAD  
PROJECTS.

Sec. 7977.104. ROAD STANDARDS AND  
REQUIREMENTS.

Sec. 7977.105. COMPLIANCE WITH  
MUNICIPAL CONSENT ORDINANCE  
OR RESOLUTION.

No equivalent provision.

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Sec. 7977.101. GENERAL POWERS AND  
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DISTRICT POWERS AND DUTIES.

Sec. 7977.103. AUTHORITY FOR ROAD  
PROJECTS.

Sec. 7977.104. ROAD STANDARDS AND  
REQUIREMENTS.

Sec. 7977.105. COMPLIANCE WITH  
MUNICIPAL CONSENT ORDINANCE  
OR RESOLUTION.

Sec. 7977.106. FIREFIGHTING  
SERVICES. Notwithstanding Section  
49.351(a), Water Code, the district may, as  
authorized by Section 59(f), Article XVI,  
Texas Constitution, and Section 49.351,  
Water Code:  
(1) establish, operate, and maintain a fire

No equivalent provision.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 7977.152. OPERATION AND MAINTENANCE TAX.

Sec. 7977.153. CONTRACT TAXES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 7977.202. TAXES FOR BONDS.

Sec. 7977.203. BONDS FOR ROAD PROJECTS.

SECTION 2. Sets out the metes and bounds of the district.

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

department;

(2) contract with another political subdivision for the joint operation of a fire department; or

(3) contract with any other person to perform firefighting services in the district and may issue bonds and impose taxes to pay for the department and the activities.

Sec. 7977.107. FEES AND CHARGES.

(a) The district may adopt and enforce all necessary charges, mandatory fees, or rentals, in addition to taxes, for providing or making available any district facility or service, including firefighting activities provided under Section 7977.106.

(b) To enforce payment of an unpaid fee or charge due to the district, on the request of the district, a retail public utility, as defined by Section 13.002, Water Code, providing water or sewer service to a customer in the district shall terminate the service.

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Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 7977.152. OPERATION AND MAINTENANCE TAX.

Sec. 7977.153. CONTRACT TAXES

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Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

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Sec. 7977.203. BONDS FOR ROAD PROJECTS.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

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. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7977, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7977.106 to read as follows:

Sec. 7977.106. 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 September 1, 2017.

SECTION 4. Substantially the same as introduced version.

SECTION 5. Same as introduced version.