

BILL ANALYSIS

C.S.H.B. 4334
By: Bailes
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that certain undeveloped land located within Liberty County would benefit from the creation of a municipal utility district. C.S.H.B. 4334 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. 4334 amends the Special District Local Laws Code to create the Liberty County Municipal Utility District No. 1, 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 division of the district and for district zoning authority. 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

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4334 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 8010 to read as follows:
CHAPTER 8010. PLUM GROVE

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8010 to read as follows:
CHAPTER 8010. LIBERTY COUNTY

MUNICIPAL UTILITY DISTRICT NO. 1
SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 8010.001. DEFINITIONS. In this
chapter:

- (1) "Board" means the district's board of
directors.
- (2) "Commission" means the Texas
Commission on Environmental Quality.
- (3) "Director" means a board member.
- (4) "District" means the Plum Grove
Municipal Utility District No. 1.

Sec. 8010.002. NATURE OF DISTRICT.

Sec. 8010.003. CONFIRMATION AND
DIRECTORS' ELECTION REQUIRED.

Sec. 8010.004. CONSENT OF
MUNICIPALITY REQUIRED.

Sec. 8010.005. FINDINGS OF PUBLIC
PURPOSE AND BENEFIT. (a) The
district is created to serve a public purpose
and benefit.

(b) The district is created to accomplish the
purposes of:

- (1) a municipal utility district as provided
by general law and Section 59, Article XVI,
Texas Constitution; and
- (2) Section 52, Article III, Texas
Constitution, that relate to the construction,
acquisition, or improvement of
macadamized, graveled, or paved roads or
improvements, including storm drainage, in
aid of those roads.

Sec. 8010.006. INITIAL DISTRICT
TERRITORY.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 8010.051. GOVERNING BODY;
TERMS. (a) The district is governed by a
board of five elected directors.

(b) Except as provided by Section
8010.052, directors serve staggered four-
year terms.

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acquisition, improvement, operation, or
maintenance of macadamized, graveled, or
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storm drainage, in aid of those roads.

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TERRITORY.

SUBCHAPTER B. BOARD OF
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Sec. 8010.051. GOVERNING BODY;
TERMS. (a) The district is governed by a
board of five elected directors.

(b) Except as provided by Section
8010.053, directors serve staggered four-
year terms.

Sec. 8010.052. QUALIFICATIONS.
Except for temporary directors appointed
under Sections 8010.053(a)(1)-(3), to be
qualified to serve as a director a person
must meet the requirements of Section
54.102, Water Code.

Sec. 8010.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) _____;
- (2) _____;
- (3) _____;
- (4) _____; and
- (5) _____.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8010.003; or
- (2) September 1, 2021.

(c) If permanent directors have not been elected under Section 8010.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 8010.003; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8010.101. GENERAL POWERS AND DUTIES.

Sec. 8010.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8010.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8010.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8010.053. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) two directors appointed by the Liberty County Commissioners Court;
- (2) two directors appointed by the Cleveland Independent School District; and
- (3) one director appointed by the landowner of a majority of the assessed real property in the district.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8010.003; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8010.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 8010.003; or
- (2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the temporary directors shall recommend to the commission persons to serve as successor temporary directors. After reviewing the recommendations, the commission shall approve or disapprove the successor temporary directors. If the commission is not satisfied with the recommendations, the commission may request additional recommendations. On request by the commission, the temporary directors shall submit additional recommendations.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8010.101. GENERAL POWERS AND DUTIES.

Sec. 8010.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8010.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8010.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8010.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

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Sec. 8010.106. ZONING. The district may regulate:

(1) the height, number of stories, materials, and size of buildings and other structures;

(2) the percentage of a lot that may be occupied;

(3) the size of yards, courts, and other open spaces;

(4) population density; and

(5) the location and use of buildings, other structures, and land for business, industrial, residential, or other purposes.

Sec. 8010.106. DIVISION OF DISTRICT.

Sec. 8010.107. DIVISION OF DISTRICT.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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Sec. 8010.151. ELECTIONS REGARDING TAXES OR BONDS. (a)

The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8010.153.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

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(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(d) Before the district may issue bonds, the district must enter into an agreement with the developer, the Cleveland Independent School District, and Liberty County for the transfer of land for use as the sites of facilities for the school district and for emergency services.

Sec. 8010.152. OPERATION AND MAINTENANCE TAX.

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Sec. 8010.153. CONTRACT TAXES.

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SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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Sec. 8010.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8010.202. TAXES FOR BONDS.

Sec. 8010.203. BONDS FOR ROAD PROJECTS.

SECTION 2. The Plum Grove Municipal Utility District No. 1 initially includes all the territory contained in the following area:

A subdivision of 1,329.763 acres of land, being a portion of a called 4,394.368 acre tract located in the James T. Dunman Survey, Abstract No. 167, W. McWilkinson Survey, Abstract No. 317, H.T. & B. R.R. Co. Survey, Abstract No. 443, Liberty County, Texas, designated as Santa Fe Subdivision, Section One, Save and Except Reserves A thru S of Santa Fe, Subdivision, Section One, a plat of said subdivision recorded under Liberty County Clerk's File Number 2017-005075, of the Official Public Records of Liberty County, Texas; and Being 3,064.605 acres of land, being a portion of a called 4,394.368 acre tract located in the James T. Dunman Survey, Abstract No. 167, H.T. & B. R.R. Co. Survey, Abstract No. 443, H.T. & B. R.R. Co. Survey, Abstract No. 635, W. McWilkinson Survey, Abstract No. 317, Charles Smith Survey, Abstract No. 350, B.B.B. & C. Survey, Abstract No. 152, William H.B. Witham Survey, Abstract No. 395, and the James Darwin Survey, Abstract No. 176, Liberty County, Texas, a Deed as recorded under Liberty County Clerk's File Number 2016-013974, of the Official Public Records of Liberty County, Texas.

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

Sec. 8010.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8010.202. TAXES FOR BONDS.

Sec. 8010.203. BONDS FOR ROAD PROJECTS.

SECTION 2. The Liberty County Municipal Utility District No. 1 initially includes all the territory contained in the following area:

A subdivision of 1,329.763 acres of land, being a portion of a called 4,394.368 acre tract located in the James T. Dunman Survey, Abstract No. 167, W. McWilkinson Survey, Abstract No. 317, H.T. & B. R.R. Co. Survey, Abstract No. 443, Liberty County, Texas, designated as Santa Fe Subdivision, Section One, Save and Except Reserves A thru S of Santa Fe, Subdivision, Section One, a plat of said subdivision recorded under Liberty County Clerk's File Number 2017-005075, of the Official Public Records of Liberty County, Texas; and Being 3,064.605 acres of land, being a portion of a called 4,394.368 acre tract located in the James T. Dunman Survey, Abstract No. 167, H.T. & B. R.R. Co. Survey, Abstract No. 443, H.T. & B. R.R. Co. Survey, Abstract No. 635, W. McWilkinson Survey, Abstract No. 317, Charles Smith Survey, Abstract No. 350, B.B.B. & C. Survey, Abstract No. 152, William H.B. Witham Survey, Abstract No. 395, and the James Darwin Survey, Abstract No. 176, Liberty County, Texas, a Deed as recorded under Liberty County Clerk's File Number 2016-013974, of the Official Public Records of Liberty County, Texas.

SECTION 3. Same as introduced version.

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 8010, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8010.107 to read as follows:

Sec. 8010.107. 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.

No equivalent provision.

SECTION 4. Substantially the same as introduced version.

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, 2017.