

BILL ANALYSIS

C.S.H.B. 4335
By: Guillen
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties suggest that undeveloped land located within Willacy County would benefit from the creation of a municipal utility district. C.S.H.B. 4335 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. 4335 amends the Special District Local Laws Code to create the Willacy 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 water and sewer rates. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property and operation and maintenance taxes. If the bill receives a two-thirds vote of all the members elected to each house, the bill prohibits the district from exercising the power of eminent domain outside the district to acquire a site or easement for a road project or a recreational facility. If the bill does not receive such vote, the bill expressly prohibits the district from exercising the power of eminent domain.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4335 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	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8014 to read as follows:	SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8014 to read as follows:

CHAPTER 8014. WILLACY COUNTY
MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 8014.001. DEFINITIONS.

Sec. 8014.002. NATURE OF DISTRICT.

Sec. 8014.003. CONFIRMATION AND
DIRECTORS' ELECTION REQUIRED.

Sec. 8014.004. CONSENT OF
MUNICIPALITY REQUIRED.

Sec. 8014.005. FINDINGS OF PUBLIC
PURPOSE AND BENEFIT.

Sec. 8014.006. INITIAL DISTRICT
TERRITORY.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 8014.051. GOVERNING BODY;
TERMS.

Sec. 8014.052. 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 8014.003; 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 8014.003 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 8014.003; 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

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SUBCHAPTER B. BOARD OF
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Sec. 8014.051. GOVERNING BODY;
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Sec. 8014.052. TEMPORARY
DIRECTORS. (a) The temporary board
consists of:

- (1) Charles E. Wetegrove;
- (2) Raymond F. Wetegrove;
- (3) Joseph M. Wetegrove;
- (4) Fred Ballard; and
- (5) Craig Childs.

(b) Temporary directors serve until the
earlier of:

- (1) the date permanent directors are elected
under Section 8014.003; 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 8014.003 and the
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- (1) the date permanent directors are elected
under Section 8014.003; 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. 8014.101. GENERAL POWERS AND DUTIES.

Sec. 8014.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8014.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8014.104. APPROVAL OF ROAD PROJECT.

Sec. 8014.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. 8014.106. DIVISION OF DISTRICT.

Sec. 8014.107. LIMITATION ON USE OF EMINENT DOMAIN.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8014.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8014.152. OPERATION AND MAINTENANCE TAX.

Sec. 8014.153. WATER AND SEWER RATES.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8014.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8014.202. TAXES FOR BONDS.

Sec. 8014.203. BONDS FOR ROAD PROJECTS.

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Sec. 8014.101. GENERAL POWERS AND DUTIES.

Sec. 8014.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8014.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8014.104. APPROVAL OF ROAD PROJECT.

Sec. 8014.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

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

Tracts 1, 2, 3, 4, & 5, Raymond Estate Reserve out of Share Number 36, San Juan de Carricitos Grant, recorded in Volume 274, Pages 106, Official Records, Willacy County, Texas, containing 501.42 acres gross and 497.71 acres net.

SECTION 2. Same as introduced version.

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 3. Same as introduced version.

SECTION 4. (a) Section 8014.107, 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 8014, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8014.107 to read as follows:

Sec. 8014.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SECTION 4. Same as introduced version.

(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. This Act takes effect June 1, 2017, 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 effect on that date, this Act takes effect September 1, 2017.

SECTION 5. Same as introduced version.