

BILL ANALYSIS

Senate Research Center
88R9904 MCF-F

S.B. 2598
By: Paxton
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Continuing development and growth in Collin County has created the need for permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, road facilities, and recreational facilities. Pursuant to Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution, and subject to the continuing supervisory jurisdiction of the Texas Commission on Environmental Quality, the bill seeks to create a municipal utility district to be known as Honey Creek Improvement District No. 1 over an approximate 1800-acre tract of land located within the extraterritorial jurisdiction of the City of McKinney in Collin County. Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution provide for the creation of local governmental districts that are authorized to incur indebtedness to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness. Once created, Honey Creek Improvement District No. 1 will be authorized to incur indebtedness to provide water, sanitary sewer, storm drainage, road and recreational improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

As proposed, S.B. 2598 amends current law relating to the creation of the Honey Creek Improvement District No. 1, provides authority to issue bonds, and provides authority to impose assessments and fees.

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 C, Title 4, Special District Local Laws Code, by adding Chapter 3796, as follows:

CHAPTER 3796. HONEY CREEK IMPROVEMENT DISTRICT NO. 1

Sets forth standard language for the creation of the Honey Creek Improvement District No. 1 (district) in the City of McKinney. Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, intent, and approval of the district (Section 3796.0101-3796.0104);

Initial district territory, eligibility for inclusion in special zones, and applicability of other law to this chapter (Section 3796.0105-3796.0109);

Size, appointment, election requirement, compensation of the board of directors of the district, including provisions related to initial temporary directors (Section 3796.0201-3796.0203);

Powers and duties of the district (Section 3796.0301-3796.0308);

General financial provisions and authority to impose a tax and issue bonds, including taxes and bonds relating to designated areas (Sections 3796.0309-3796.0310 and Sections 3796.401-3796.0503); and

Dissolution of the district by the city (Section 3796.0901).

Prohibits the district from exercising the power of eminent domain.

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. Effective date: upon passage or September 1, 2023.