

BILL ANALYSIS

S.B. 2057
By: Taylor, Van
Special Purpose Districts
Committee Report (Unamended)

BACKGROUND AND PURPOSE

S.B. 2057 creates the Double R Municipal Utility Districts Nos. 1 and 2 of Hunt County (the districts) located within the extraterritorial jurisdiction of the City of Josephine. Double R Municipal Utility District No. 1 of Hunt County will encompass approximately 94.30 acres of land, and Double R Municipal Utility District No. 2 of Hunt County will encompass approximately 743.38 acres of land. Water, sewer, drainage, and road facilities need to be secured because the land to be located within the districts will be developed into single-family residential and commercial development. The districts are created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The districts will have road powers and must comply with all applicable city standards. The districts will have the authority to divide; any new district created by division may not, at the time of creation, contain any land outside the extraterritorial jurisdiction of a city. The districts will have the authority to issue tax-exempt bonds to purchase, acquire, or construct facilities. It is also necessary to empower the districts with authority to impose a tax and to grant the districts a limited power of eminent domain. The bill provides for the creation, administration, powers, duties, operation, and financing of the districts.

S.B. 2057 amends current law relating to the creation of the Double R Municipal Utility Districts Nos. 1 and 2 of Hunt County, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose assessments, fees, and taxes.

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

ARTICLE 1. CREATION OF MUNICIPAL UTILITY DISTRICTS

SECTION 1.01. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7955, as follows:

CHAPTER 7955. DOUBLE R MUNICIPAL UTILITY DISTRICT NO. 1 OF HUNT COUNTY

Sets forth standard language for the creation of the Double R Municipal Utility District No. 1 of Hunt County (district) in Hunt County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district, including provisions related to definitions; nature of district; confirmation and directors' election required; consent of

municipality required; finding of public purpose and benefit; and initial district territory (Sections 7955.001-7955.006);

Size, composition, election, and terms of the board of directors of the district, including provisions related to governing body and terms and temporary directors (Sections 7955.051 and 7955.052);

Powers and duties of the district, including provisions related to general powers and duties; municipal utility district powers and duties; authority for road projects; road standards and requirements; compliance with municipal consent ordinance or resolution; and division of district (Sections 7955.101-7955.106); and

General financial provisions bonds and other obligations for the district, including provisions related to elections regarding taxes or bonds; operation and maintenance tax; contract taxes; authority to issue bonds and other obligations; taxes for bonds; and bonds for road projects (Sections 7955.151-7955.153 and 7955.201-7955.203).

SECTION 1.02. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7956, as follows:

CHAPTER 7956. DOUBLE R MUNICIPAL UTILITY DISTRICT NO. 2
OF HUNT COUNTY

Sets forth standard language for the creation of the Double R Municipal Utility District No. 2 of Hunt County (district) in Hunt County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district, including provisions related to definitions; nature of district; confirmation and directors’ election required; consent of municipality required; finding of public purpose and benefit; and initial district territory (Sections 7956.001-7956.006);

Size, composition, election, and terms of the board of directors of the district, including provisions related to governing body and terms and temporary directors (Sections 7956.051 and 7956.052);

Powers and duties of the district, including provisions related to general powers and duties; municipal utility district powers and duties; authority for road projects; road standards and requirements; compliance with municipal consent ordinance or resolution; and division of district (Sections 7956.101-7956.106); and

General financial provisions bonds and other obligations for the district, including provisions related to elections regarding taxes or bonds; operation and maintenance tax; contract taxes; authority to issue bonds and other obligations; taxes for bonds; and bonds for road projects (Sections 7956.151-7956.153 and 7956.201-7956.203).

ARTICLE 2. METES AND BOUNDS

SECTION 2.01. Sets forth the initial boundaries of the Double R Municipal Utility District No. 1 of Hunt County.

SECTION 2.02. Sets forth the initial boundaries of the Double R Municipal Utility District No. 2 of Hunt County.

ARTICLE 3. LEGAL NOTICE, EMINENT DOMAIN, AND EFFECTIVE DATE

SECTION 3.01 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 3.02. (a) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7955, Special District Local Laws Code, as added by Section 1.01 of this Act, is amended by adding Section 7955.107, as follows:

Sec. 7955.107. NO EMINENT DOMAIN POWER. Prohibits the Double R Municipal Utility District No. 1 of Hunt County from exercising the power of eminent domain.

(b) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (authorizing the legislature to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article 1, Texas Constitution.

SECTION 3.03. (a) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7956, Special District Local Laws Code, as added by Section 1.02 of this Act, is amended by adding Section 7956.107, as follows:

Sec. 7956.107. NO EMINENT DOMAIN POWER. Prohibits the Double R Municipal Utility District No. 2 of Hunt County from exercising the power of eminent domain.

(b) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article 1, Texas Constitution.

SECTION 3.04. Provides for the effective date of this Act.

EFFECTIVE DATE

This Act takes effect September 1, 2015.