

## **BILL ANALYSIS**

S.B. 2074  
By: Campbell  
Special Purpose Districts  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Continuing development and growth in Central Texas, including Hays County, has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and roadway improvements. Article XVI (General Provisions), Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), and Article III (Legislature Department), Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), 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.

S.B. 2074 creates the Legacy Municipal Utility District No. 1 (district). The district would include approximately 781.23 acres in Hays County. Along with powers from Chapter 54 (Municipal Utility Districts), Water Code, S.B. 2074 provides for road powers pursuant to Article III, Section 52, Texas Constitution, granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes. In addition, S.B. 2074 allows for the district to divide.

S.B. 2074 amends current law relating to the creation of the Legacy Municipal Utility District No. 1, grants a limited power of eminent domain, provides authority to issue bonds, 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**

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7957, as follows:

#### CHAPTER 7957. LEGACY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation and approval of the district, including provisions related to definitions; nature of district; confirmations and directors' election required; consent of municipality required; findings of public purpose and benefit; and initial district territory (Sections 7957.001-7957.006);

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 7957.051-7957.052);

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 7957.101-7957.106); and

General financial provisions and 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 7957.151-7957.153 and Sections 7957.201-7957.203).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that 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) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7957, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7957.107, as follows:

Sec. 7957.107. NO EMINENT DOMAIN POWER. Prohibits the district 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) (relating to the legislature enacting a general, local, or special law granting the power of eminent domain), Article I, Texas Constitution.

SECTION 5. Provides for the effective date of this Act.

**EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2015.