

**BILL ANALYSIS**

C.S.H.B. 4309  
By: Isaac  
Special Purpose Districts  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Interested parties contend that undeveloped land located in Central Texas, including Hays County, would benefit from the creation of a municipal utility district. C.S.H.B. 4309 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. 4309 amends the Special District Local Laws Code to create the Driftwood Municipal Utility District No. 1, subject to municipal consent, voter approval at a confirmation election, and execution of a certain agreement. The bill grants the district the power to undertake certain road projects, authorizes the district to provide for the conservation of water, and sets out the district's authority regarding the development of water. The bill provides for the division of the district and 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**

September 1, 2017.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 4309 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 7983 to read as follows:

HOUSE COMMITTEE SUBSTITUTE

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85R 29509

17.128.935

Substitute Document Number: 85R 28480

CHAPTER 7983. DRIFTWOOD  
MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL  
PROVISIONS

Sec. 7983.001. DEFINITIONS.

Sec. 7983.002. NATURE OF DISTRICT.

Sec. 7983.003. CONFIRMATION AND  
DIRECTORS' ELECTION REQUIRED.

Sec. 7983.004. CONSENT OF  
MUNICIPALITY REQUIRED.

Sec. 7983.005. FINDINGS OF PUBLIC  
PURPOSE AND BENEFIT.

Sec. 7983.006. INITIAL DISTRICT  
TERRITORY.

SUBCHAPTER B. BOARD OF  
DIRECTORS

Sec. 7983.051. GOVERNING BODY;  
TERMS.

Sec. 7983.052. TEMPORARY  
DIRECTORS.

SUBCHAPTER C. POWERS AND  
DUTIES

Sec. 7983.101. GENERAL POWERS AND  
DUTIES.

Sec. 7983.102. MUNICIPAL UTILITY  
DISTRICT POWERS AND DUTIES.

Sec. 7983.103. WATER  
CONSERVATION FACILITIES.

Sec. 7983.104. AUTHORITY FOR ROAD  
PROJECTS.

Sec. 7983.105. ROAD STANDARDS  
AND REQUIREMENTS.

Sec. 7983.106. COMPLIANCE WITH  
MUNICIPAL CONSENT ORDINANCE  
OR RESOLUTION.

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Sec. 7983.106. COMPLIANCE WITH  
MUNICIPAL CONSENT ORDINANCE  
OR RESOLUTION.

Sec. 7983.107. DEVELOPMENT OF  
WATER. (a) The district may:

- (1) import groundwater or surface water from outside the district; and
- (2) purchase water from a water supply corporation.
- (b) The district may not:
  - (1) develop groundwater on land owned by the district; or
  - (2) purchase or lease the rights to groundwater related to land inside the district.

Sec. 7983.107. DIVISION OF DISTRICT.

Sec. 7983.108. DIVISION OF DISTRICT.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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Sec. 7983.151. ELECTIONS REGARDING TAXES OR BONDS.

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Sec. 7983.152. OPERATION AND MAINTENANCE TAX.

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Sec. 7983.153. CONTRACT TAXES.

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SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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Sec. 7983.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

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Sec. 7983.202. TAXES FOR BONDS.

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Sec. 7983.203. BONDS FOR ROAD PROJECTS.

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SECTION 2. Sets out the metes and bounds of the district.

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.

SECTION 3. Same as introduced version.

(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 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7983, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7983.108 to read as follows:

Sec. 7983.108. 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.

SECTION 5. This Act takes effect September 1, 2017.

SECTION 4. Substantially the same as introduced version.

SECTION 5. Same as introduced version.