

**BILL ANALYSIS**

Senate Research Center  
80R9561 HLT-F

C.S.S.B. 323  
By: Deuell  
Intergovernmental Relations  
4/3/2007  
Committee Report (Substituted)

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the legislature is authorized to create water control and improvement districts and Article 16, Section 59, of the Texas Constitution authorizes such entities to have unlimited property taxing authority and to issue debt backed by these taxes in order to construct public infrastructure to control and use water. While the Water Code now authorizes approximately 13 different types of water districts to deal with surface water usage, there is no municipal utility district (district) located in Kaufman County. Kaufman County is a rapidly growing county adjacent to urban cities in need of master-planned suburban housing. While a water district can be created by the county commissioners court, by the Texas Commission on Environmental Quality or successor agencies, or by the legislature, legislative creation is the quickest method and allows flexibility with regard to a district's powers and duties.

C.S.S.B. 323 creates the Fairfields Municipal Utility District of Kaufman County to be located entirely in Kaufman County and enumerates its powers, duties, and obligations. This bill combines the traditional powers and duties of a district governed by Chapter 49 (Provisions Applicable to All Districts) and Chapter 54 (Municipal Utility Districts) of the Water Code and the powers of divisibility governed by Chapter 53 (Fresh Water Supply Districts) of the Water Code.

**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 F, Title 6, Special District Local Laws Code, by adding Chapter 8162, as follows:

CHAPTER 8162. FAIRFIELDS MUNICIPAL UTILITY DISTRICT OF KAUFMAN  
COUNTY

Sets forth standard language for the creation of the Fairfields Municipal Utility District (district) of Kaufman County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 8162.001 - 8162.005);

Size, composition, election, and terms of the board of directors of the district (Sections 8162.021 - 8162.051);

Powers and duties of the district (Sections 8162.101 - 8162.103);

General financial provisions and authority to issue bonds and obligations for the district (Sections 8162.151 - 8162.201); and

Division of district into multiple districts (Sections 8162.251 - 8162.255).

Authorizes the use of eminent domain by the district.

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, 2007.