

BILL ANALYSIS

Senate Research Center
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S.B. 236
By: Deuell
Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Hunt County Municipal District No. 1 will encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Greenville. The land to be located within the district will be developed into single-family residential and commercial development. Therefore, water, sewer, drainage, and road services need to be secured. It is necessary to create the district under provisions in the Texas Constitution and the Water Code applicable to all water districts and to municipal utility districts so that the district can purchase, acquire, or construct facilities for such services for the future occupants of the land using tax exempt bonds. It is also necessary to empower the district with the authority to impose a tax and issue bonds and to grant the district limited power of eminent domain. S.B. 236 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district.

As proposed, S.B. 236 amends current law relating to the creation of the Hunt County Municipal Utility District No. 1, provides authority to impose a tax and issue bonds, and grants a limited power of eminent domain.

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 8341, as follows:

CHAPTER 8341. HUNT COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation and approval of the district (Sections 8341.001-8341.050)

Size, composition, election, and terms of the board of directors of the district (Sections 8341.051-8341.100);

Powers and duties of the district (Sections 8341.101-8341.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8341.151-8341.203).

Prohibits the district from exercising the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8341.104 (Authority for Road Projects), or a recreational facility as defined by Section 49.462 (Definitions), Water Code.

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 Section 8341.109, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if the Act receives a two-thirds vote of all the members elected to each house as Section 17(c), Article I, Texas Constitution, requires for a grant of the power of eminent domain.

(b) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8341, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8341.109, as follows:

Sec. 8341.109. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

SECTION 5. Effective date, except as provided by Section 4: upon passage or September 1, 2011.