

BILL ANALYSIS

Senate Research Center
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S.B. 1867
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Onion Associates, Ltd., has requested the creation of Cascades Municipal Utility District No. 1 (district) over approximately 135 acres of property that it owns in the extraterritorial jurisdiction (ETJ) of the City of Austin, Travis County, Texas.

The proposed district will encompass a master-planned community that will construct water, wastewater, and drainage facilities to serve the land within the district. The district will also have the ability to construct road improvements to improve accessibility. The development of the land within the district will provide a variety of housing types, including affordable housing; retail uses to serve the residential development; a substantial amount of parkland and trails that will be open to the public, including a connection to the City of Austin's Onion Creek Trail system, and park improvements to serve the community. In accordance with Austin's policy, the district will be required to provide a superior quality of development.

Austin is expected to provide a resolution in support of the proposed legislation and final creation of the district will be subject to Austin's formal consent. Austin and the landowner have agreed to a number of provisions that are requested to be included in the bill. These provisions were also included in a number of bills last session that created districts in Austin's ETJ. These items include a provision confirming that any consent agreement between the district and Austin will be enforceable and that, upon the sale of bonds by the district, the district waives sovereign immunity from suit to enforce the agreement; a provision that the district will not have the power of eminent domain; a provision for Austin's appointment of one member of the board of directors; term limits for directors and a provision that, if required by the consent agreement, the district's ad valorem tax rate will not be less than that of Austin. Other items include provisions to streamline the future annexation of the district by authorizing a strategic partnership agreement and requiring a recorded notice of the future annexation, as well as notice about the district that is required to be given to the future purchasers of land in the district.

As proposed, S.B. 1867 amends current law relating to the creation of the Cascades 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 8477, as follows:

CHAPTER 8477. CASCADES MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, purpose, and approval of the district (Sections 8477.001-8477.006);

Size, composition, election, and terms of the board of directors, including the appointment of temporary directors (Sections 8477.051-8477.052);

Powers and duties of the district (Sections 8477.101-8477.105); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8477.151-8477.203).

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. (a) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8477, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8477.106, as follows:

Sec. 8477.106. 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 authorizing eminent domain only on a two-thirds vote of all members elected to each house), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2013.