

## **BILL ANALYSIS**

Senate Research Center  
83R20545 AED-F

S.B. 1877  
By: Estes  
Intergovernmental Relations  
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As Filed

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

S.B. 1877 provides for the creation of Venable Ranch Municipal Utility District No. 1, a municipal utility district encompassing approximately 2,400 acres.

Venable Ranch would be a master planned community developed partially within the corporate limits of the City of Aubrey and the remainder in the extraterritorial jurisdiction of Aubrey.

The proposed legislation follows the municipal utility district template with some exceptions that are necessary to address the unique aspects of the development and agreements between the city and landowners. S.B. 1877 allows for the district to be divided into smaller districts prior to development and allows for a district to be annexed into the city without being dissolved. The legislation also makes clear that the district can provide firefighting services and the retail providers of water and sewer service may terminate service in the event a customer fails to pay fees for police, fire, and emergency medical services.

As proposed, S.B. 1877 amends current law relating to the creation of the Venable Ranch Municipal Utility District No. 1 of Denton County; grants a limited power of eminent domain; provides authority to issue bonds; and provides authority to impose assessments, fees, or taxes.

### **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 8469, as follows:

#### CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, purpose, and approval of the district (Sections 8469.001-8469.006);

Size, composition, election, and terms of the board of directors, including the appointment of temporary directors (Sections 8469.051-8469.052);

Powers and duties of the district (Sections 8469.101-8469.108);

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8469.151-8469.203); and

Annexation by city (Section 8469.251).

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 8469, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8469.109, as follows:

Sec. 8469.109. 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.