

BILL ANALYSIS

Senate Research Center
85R14737 GRM-F

H.B. 2566
By: Stucky (Estes)
Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that undeveloped land located within a portion of Denton County would benefit from the creation of a municipal utility district. H.B. 2566 seeks to provide for the creation of such a district.

H.B. 2566 amends the Special District Local Laws Code to create the Denton County Municipal Utility District No. 9, subject to municipal consent and voter approval at a confirmation election. The bill grants the district the power to undertake certain road projects and provides for the district's authority regarding firefighting services and the imposition of fees and charges. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. H.B. 2566 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.

H.B. 2566 amends current law relating to the creation of the Denton County Municipal Utility District No. 9, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose assessments, fees, and 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 7977, as follows:

CHAPTER 7977. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

Sets forth standard language for the creation of the Denton County Municipal Utility District No. 9 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, approval, public purpose, and initial territory of the district (Sections 7977.001-7977.050);

Size, composition, terms, and election of the board of directors of the district, including provisions for temporary directors (Sections 7977.051-7977.100);

Powers and duties of the district (Sections 7977.101-7977.150);

General financial provisions and authority to impose a tax and to issue bonds and other obligations for the district (Sections 7977.151-7977.203).

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, if this Act does not receive a two-thirds vote of all members elected to each house, Subchapter C, Chapter 7977, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7977.108, as follows:

Sec. 7977.108. 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 the legislature to grant the power of eminent domain to an entity), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2017.