

BILL ANALYSIS

Senate Research Center
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H.B. 4631
By: Smith (Fallon)
Intergovernmental Relations
5/11/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4631 creates Grayson County Municipal Utility District No. 2 (district). The district will encompass approximately 257.294 acres of land located within Grayson County, Texas. No portion of the district is located within the corporate boundaries or extraterritorial jurisdiction of any incorporated city, town or village. H.B. 4631 is a standard template bill and provides for water, sewer, drainage, and road facilities which need to be secured because the land to be located within the district will be developed for residential purposes. H.B. 4631 follows the template in all regards, except it gives the district the authority to divide and requires that any new district created by division hold a confirmation election. The district is created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The district will have full road powers and must comply with all applicable road standards; however, the district will maintain such roads so long as the district is located outside the boundaries of any municipality.

H.B. 4631 provides that the district may not act as a retail water provider, and the district must make its facilities available to the certificate of convenience and necessity holder. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the road facilities. It is also necessary to empower the district with authority to impose a tax and to grant the district a limited power of eminent domain. The bill provides for the creation, administration, powers, duties, operation, and financing of the district.

H.B. 4631 amends current law relating to the creation of the Grayson County Municipal Utility District No. 2; 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 8033, as follows:

CHAPTER 8033. GRAYSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

Sets forth standard language for the creation of the Grayson County Municipal Utility District No. 2 (district) in Grayson County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 8033.0101–8033.0106);

Size, composition, election, and terms of the board of directors of the district, including provisions related to initial temporary directors (Sections 8033.0201–8033.0202);

Powers and duties of the district (Sections 8033.0301–8033.0307); and

General financial provisions and authority to impose a tax (Sections 8033.0401–8033.0403).

Authority to issue bonds and obligations for the district (Section 8033.0501–8033.0503).

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 the members elected to each house, Subchapter C, Chapter 8033, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8033.0308, as follows:

Sec. 8033.0308. 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), Article I, Texas Constitution.

SECTION 5. Effective date: September 1, 2019.