

BILL ANALYSIS

Senate Research Center
87R15692 MP-F

H.B. 4658
By: Bailes (Schwertner)
Local Government
5/20/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4658 amends the Special District Local Laws Code to create the Huntsville Municipal Utility District No. 1 (district) of Walker County, Texas, 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 effect of annexation of district land. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, maintenance and operation, and contract taxes. The bill limits the district's authority to exercise eminent domain authority outside the district boundaries and 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. 4658 amends current law relating to the creation of the Huntsville Municipal Utility District No. 1 of Walker County, Texas, 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 7935A, as follows:

CHAPTER 7935A. HUNTSVILLE MUNICIPAL UTILITY DISTRICT NO. 1 OF WALKER COUNTY, TEXAS

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

Creation and approval of the district (Sections 7935A.0101-7935A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7935A.0201-7935A.0202);

Powers and duties of the district (Sections 7935A.0301-7935A.0307); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7935A.0401-7935A.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 Section 7935A.0307, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7935A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7935A.0307, as follows:

Sec. 7935A.0307. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) 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: upon passage or September 1, 2021.