

BILL ANALYSIS

Senate Research Center
88R19633 SCP-F

H.B. 5392
By: Smith (Springer)
Local Government
5/17/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 5392 creates Highland Park Municipal Utility District of Grayson County (district). The district will encompass approximately 640 acres of land located in the extraterritorial jurisdiction of the City of Sherman, Texas, in Grayson County H.B. 5392 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes. H.B. 5392 follows the template in all regards, except that it provides the district with the authority to divide into two or more districts. Division powers are requested so that the district can divide to provide better, more individualized services to the property if deemed necessary and to accommodate changes in development plans. 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 standard road powers and must comply with all applicable road standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the 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. 5392 amends current law relating to the creation of the Highland Park Municipal Utility District of Grayson County, grants a limited power of eminent domain, provides authority to issue bonds, 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 8000A, as follows:

CHAPTER 8000A. HIGHLAND PARK MUNICIPAL UTILITY DISTRICT OF GRAYSON COUNTY

Sets forth language for the creation of the Highland Park Municipal Utility District of Grayson County (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 8000A.0101-8000A.0106);

Size, composition, election, and terms of the board of directors of the district and naming of initial directors (Sections 8000A.0201-8000A.0202);

Powers and duties of the district (Sections 8000A.0301-8000A.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8000A.0401-8000A.0503).

SECTION 2. Sets forth the initial boundaries for 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) Amends Subchapter C, Chapter 8000A, Special District Local Laws Code, as added by Section 1 of this Act, if this Act does not receive a two-thirds vote of all the members elected to each house, by adding Section 8000A.0307, as follows:

Sec. 8000A.0307. 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, on or after January 10, 2020, to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2023.