

## **BILL ANALYSIS**

Senate Research Center  
88R23931 SCP-F

H.B. 5407  
By: Smith (Hughes)  
Local Government  
5/17/2023  
Engrossed

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

It has been suggested that undeveloped land located within Fannin County would benefit from the creation of a municipal utility district. H.B. 5407 seeks to provide for the creation of such a district.

H.B. 5407 amends current law relating to the creation of the Blanton Creek Estates Municipal Utility District of Fannin County, 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 8009A, as follows:

#### **CHAPTER 8009A. BLANTON CREEK ESTATES MUNICIPAL UTILITY DISTRICT OF FANNIN COUNTY**

Sets forth language for the creation of the Blanton Creek Estates Municipal Utility District of Fannin County (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 8009A.0101-8009A.0106);

Size, composition, election, and terms of the board of directors of the district and naming of initial directors (Sections 8009A.0201-8009A.0202);

Powers and duties of the district (Sections 8009A.0301-8009A.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8009A.0401-8009A.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) Amends Subchapter C, Chapter 8009A, 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 8009A.0307, as follows:

Sec. 8009A.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: upon passage or September 1, 2023.