

## **BILL ANALYSIS**

Senate Research Center  
81R6612 SLB-F

H.B. 4712  
By: Laubenberg (Estes)  
Intergovernmental Relations  
5/20/2009  
Engrossed

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

Collin County Municipal Utility District No. 1 (district) was created by an order of the Texas Commission on Environmental Quality dated February 24, 2005. The district obtained the authority to construct, acquire, improve, and maintain roads and to issue bonds and levy a property tax to fund such projects, as well as certain other powers. The district encompasses approximately 800 acres of undeveloped land located in the unincorporated area of Collin County, and within the extraterritorial jurisdiction of the City of Celina. The land will be developed into a mixed-use residential and commercial development. The development is planned to take place in stages over time to meet the changing demand for new homes. Not all land within the district will benefit from facilities constructed to serve specific phases of its development. Consequently, retaining all land within the district and subjecting the land to taxation until the district extends its facilities and services throughout its boundaries creates an economic burden on district land not slated for development until later. By dividing the district, the land within the resulting districts will bear property taxes and other costs proportionate to and at the time benefits are received.

H.B. 4712 amends current law relating to the powers and duties of the district.

### **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 Subchapter B, Chapter 8164, Special District Local Laws Code, as added by Chapter 1067 (H.B. No. 2442), Acts of the 80th Legislature, Regular Session, 2007, by adding Section 8164.055, as follows:

Sec. 8164.055. DIVISION OF DISTRICT. (a) Authorizes the Collin County Municipal Utility District No. 1 (district), subject to this section, to divide into two or more districts as provided by Sections 51.748 (Division of Original District with No Outstanding Indebtedness), 51.749 (Election to Approve Division), 51.750 (Governing Resulting Districts), 51.751 (Current Obligations of Original District), 51.752 (Powers of Resulting Districts), and 51.753 (Notice of Resulting Districts), Water Code. Requires the district, for the purpose of applying those sections, to be considered an original district and requires a reference to "this chapter" to be considered a reference to Chapter 54 (Municipal Utility Districts), Water Code.

(b) Authorizes the board of directors of the district (board), on petition of any district landowner or on a motion by the board, to consider a proposal to divide the district.

(c) Provides that no division of the district may occur that would result in the creation of a new district that contains land outside of the boundaries of the district as it existed on January 1, 2009.

(d) Provides that Section 54.016 (Consent of City), Water Code, and Section 42.042 (Creation of Political Subdivision to Supply Water or Sewer Services, Roadways, or Drainage Facilities in Extraterritorial Jurisdiction), Local

Government Code, do not apply to any new district created by the division of the district.

SECTION 2. Effective date: upon passage or September 1, 2009.