

## BILL ANALYSIS

Senate Research Center  
81R4728 SLB-F

H.B. 4723  
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Intergovernmental Relations  
5/20/2009  
Engrossed

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

Bayview Municipal Utility District of Galveston County (district) encompasses an area within the corporate limits of Kemah, Galveston County, Texas. The district wishes to establish and administer defined areas within the boundaries of the district, notwithstanding any acreage limitation set forth by state law. The land located within the defined areas to be established by the district is single-family residential and commercial development, and road services need to be secured. It is necessary to empower the district to purchase, acquire, or construct facilities for such roads to serve the future occupants of a defined area utilizing tax exempt bonds, and it is necessary to authorize the district to impose a tax to repay bonds.

H.B. 4723 provides the district road powers within defined areas of the district. The bill authorizes the district to issue bonds and assess property taxes for this purpose.

### 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 6901, Special District Local Laws Code, by adding Section 6901.061, as follows:

Sec. 6901.061. DEFINED AREAS. (a) Authorizes the Bayview Municipal Utility District of Galveston County (district), notwithstanding the limitation on authorization based on acreage under Section 54.801(a) (relating to authorizing a district composed of at least 1,500 acres to define and designate certain district property), Water Code, to establish and administer defined areas as provided by Subchapter J (Services for Certain Defined Areas and Designated Property), Chapter 54 (Municipal Utility Districts), Water Code.

(b) Authorizes the district, under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to construct, acquire, improve, maintain, or operate in a defined area established under this section:

- (1) macadamized, graveled, or paved roads; or
- (2) improvements, including storm drainage, in aid of those roads.

(c) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 (Provisions Applicable to All Districts) and 53 (Fresh Water Supply Districts), Water Code, to finance the construction, acquisition, improvement, maintenance, or operation of projects under Subsection (b).

(d) Authorizes the district to impose an ad valorem tax on real property in a defined area to pay the principal of or interest on bonds issued under Subsection (c) to finance projects benefiting the defined area.

(e) Prohibits the district from issuing bonds or other obligations secured wholly or partly by ad valorem taxes to finance a project authorized by Subsection (b) unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose. Provides that the simple majority vote approval required by Section 54.808(a) (relating to requiring the board to declare the results and establish the defined area and describe it by certain methods), Water Code, does not apply to an election under this subsection.

(f) Prohibits the total principal amount of bonds or other obligations issued or incurred to finance projects authorized by Subsection (b) benefiting a defined area, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the defined area.

SECTION 2. 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 3. Effective date: upon passage or September 1, 2009.