

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2912
By: King, Phil (Estes)
Intergovernmental Relations
5/15/2017
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2912 creates the New Fairview Municipal Utility District No. 1 (district). The district will encompass approximately 634.507 acres of land located within the extraterritorial jurisdiction of the City of New Fairview in Wise County. Water, sewer, drainage, and road facilities need to be secured because the land to be located within the district will be developed for residential purposes. 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 city standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct 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. (Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 2912 amends current law relating to the creation of the New Fairview Municipal Utility District No. 1; 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 7987, as follows:

CHAPTER 7987. NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, purpose, and approval of the district (Sections 7987.001-7987.050);

Size, composition, election, and terms of the board of directors of the district (Sections 7987.051-7987.100);

Powers and duties of the district (Sections 7987.101-7987.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7987.151-7987.203).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the 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 if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7987, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7987.108, as follows:

Sec. 7987.108. 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 the authority of the legislature to enact a certain law granting the power of eminent domain), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2017.