

## **BILL ANALYSIS**

Senate Research Center  
85R26320 SLB-F

H.B. 4334  
By: Bailes (Nichols)  
Intergovernmental Relations  
5/19/2017  
Engrossed

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

Interested parties contend that certain undeveloped land located within Liberty County would benefit from the creation of a municipal utility district. HB 4334 would create the Liberty County Municipal Utility District No. 1 south of the City of Plum Grove. The MUD would be located on the western side of Liberty County and would be approximately 4,394 acres. The undeveloped area currently has no residents. Local support includes Liberty County and the City of Plum Grove. Opposition is unknown on this legislation. The bill includes these important points:

- The creation of a Board of Directors
  - 2 by the county, 2 by the school board, 1 by developer- provides local entities a voice in the MUD
- Elections for the permanent board &
  - Elections for division of districts
    - § Must have no outstanding debt and district is not imposing ad valorem taxes.
- Before issuing bonds, the MUD and developer must enter into agreements with the County and Cleveland ISD for transfer of land for the purpose of emergency services and school facility sites
- Zoning/Building Codes
- Road standards and requirements
  - Must meet all local compliance if within City/County jurisdiction
  - State-maintained roads must be approved by Texas Transportation Commission

H.B. 4334 amends current law relating to the creation of the Liberty County Municipal Utility District No. 1, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose assessments, fees, or 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 8010, as follows:

#### CHAPTER 8010. LIBERTY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, approval, public purpose, requirements for a confirmation election, temporary directors, and initial territory of the district (Sections 8010.001-8010.050);

Size, composition, election, and terms of the board of directors (Sections 8010.051-8010-100);

Powers and duties of the district (Sections 8010.101-8010.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8010.151-8010.203).

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 8010, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8010.108, as follows:

Sec. 8010.108. 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 authorizing the legislature to grant the power of eminent domain to an entity under certain conditions), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2017.