

BILL ANALYSIS

Senate Research Center
85R7889 GRM-F

S.B. 904
By: Birdwell
Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The bill creates the Cresson Municipal Utility District No. 1 of Hood County (district). The district will encompass approximately 354.963 acres of land located in the extraterritorial jurisdiction of the City of Cresson in Hood 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 establish a fire department or enter into a contract for fire-fighting services and adopt all necessary fees and charges for providing any district facility or service, including fire-fighting services. 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.

As proposed, S.B. 904 amends current law relating to the creation of the Cresson Municipal Utility District No. 1 of Hood 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 7975, as follows:

CHAPTER 7975. CRESSON MUNICIPAL UTILITY DISTRICT NO. 1 OF HOOD COUNTY

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

Creation and approval of the district (Sections 7975.001-7975.050);

Size, composition, election, and terms of the board of directors of the district (Sections 7975.051-7975.100);

Powers and duties of the district (Sections 7975.101-7975.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7975.151-7975.203).

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 members elected to each house, Subchapter C (Powers and Duties), Chapter 7975, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7975.108, as follows:

Sec. 7975.108. 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 enact a certain law granting the power of eminent domain to an entity under certain circumstances on or after January 1, 2010), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2017.