

BILL ANALYSIS

Senate Research Center
87R13397 SGM-F

S.B. 2251
By: Springer
Local Government
5/7/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2251 creates the Mustang Ranch Municipal Utility District No. 1 of Denton County (district). The district will encompass approximately 670 acres of land located within Denton County, Texas. The district is located within the extraterritorial jurisdiction of Pilot Point, Texas. S.B. 2251 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes. S.B. 2251 follows the template in all regards, except that it provides the district with the authority to divide into two or more districts. 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 road standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the 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. S.B. 2251 provides for the creation, administration, powers, duties, operation, and financing of the district.

As proposed, S.B. 2251 amends current law relating to the creation of the Mustang Ranch Municipal Utility District No. 1 of Denton 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 7942A, as follows:

CHAPTER 7942A. MUSTANG RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY

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

Creation and approval of the district (Sections 7942A.0101-7942A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7942A.0201-7942A.0202);

Powers and duties of the district (Sections 7942A.0301-7942A.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7942A.0401-7942A.0503).

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

SECTION 3. 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 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 7942A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7942A.0307, as follows:

Sec. 7942A.0307. 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), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2021.