

## **BILL ANALYSIS**

Senate Research Center  
88R11070 SCP-D

H.B. 5340  
By: Smith (Springer)  
Local Government  
5/17/2023  
Engrossed

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

H.B. 5340 amends the Special District Local Laws Code to create the North Grayson County Municipal Utility District No. 1, subject to municipal consent and voter approval at a confirmation election. The bill grants the district the power to undertake certain road projects and provides for the division of the district. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill expressly prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all the members elected to each house.

H.B. 5340 amends current law relating to the creation of the North Grayson 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, 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 8006, as follows:

#### **CHAPTER 8006. NORTH GRAYSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 1**

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

Creation, purpose, and approval of the district (Sections 8006.0101-8006.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 8006.0201-8006.0202);

Powers and duties of the district (Sections 8006.0301-8006.0305); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8006.0401-8006.0503).

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) Amends Subchapter C, Chapter 8006, Special District Local Laws Code, as added by Section 1 of this Act, if this Act does not receive a two-thirds vote of all the members elected to each house, by adding Section 8006.0306, as follows:

Sec. 8006.0306. 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, on or after January 10, 2020, to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2023.