

BILL ANALYSIS

Senate Research Center
88R15841 LRM-F

H.B. 5343
By: Kitzman (Huffman)
Local Government
5/11/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Continuing development and growth in Wharton County has created the need for permanent improvements, such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and road facilities.

Pursuant to Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution, and subject to the continuing supervisory jurisdiction of the Texas Commission on Environmental Quality, H.B. 5343 seeks to create a municipal utility district to be known as Wharton County Municipal Utility District No. 1 over an approximate 224-acre tract of land located within the unincorporated area of Wharton County, Texas. Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution provide for the creation of local governmental districts which are authorized to incur indebtedness to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

The legislation grants the district the power to undertake water, sanitary sewer, drainage, recreational, and road projects and provides for division of the district. The legislation authorizes the district, subject to certain requirements, to issue bonds and other obligations and impose property taxes. Once created, Wharton County Municipal Utility District No. 1 will be authorized to divide into additional districts.

H.B. 5343 amends current law relating to the creation of the Wharton 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 7980A, as follows:

CHAPTER 7980A. WHARTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, purpose, and approval of the district (Sections 7980A.0101-7980A.0106);

Appointment of temporary directors, and election, size, and qualifications of the board of directors (Sections 7980A.0201-7980A.0202);

Powers and duties of the district (Sections 7980A.0301-7980A.0306); and

General financial provisions, including authority to impose taxes or issue bonds and obligations for the district (Sections 7980A.0401-7980A.0503).

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 7980A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7980A.0307, as follows:

Sec. 7980A.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) (relating to authorizing the legislature, on or after January 1, 2010, 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: upon passage or September 1, 2023.