

BILL ANALYSIS

Senate Research Center
88R19632 LRM-F

S.B. 2609
By: Hughes
Local Government
4/29/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2609 creates Fannin Farms Municipal Utility District of Fannin County (district). The district will encompass approximately 105 acres of land located within Fannin County, Texas. This is a standard template bill and provides for water, sewer, drainage, and road facilities, which need to be secured because the land to be located within the district will be developed for residential purposes. S.B. 2609 follows the template in all regards, except that it provides the district with 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. This bill provides for the creation, administration, powers, duties, operation, and financing of the district.

As proposed, S.B. 2609 amends current law relating to the creation of the Fannin Farms Municipal Utility District of Fannin 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 8002A, as follows:

CHAPTER 8002A. FANNIN FARMS MUNICIPAL UTILITY DISTRICT OF FANNIN COUNTY

Sets forth standard language for the creation of the Fannin Farms Municipal Utility District of Fannin County (district). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 8002A.0101-8002A.0106);

Size, selection, and terms of the board of directors (Sections 8002A.0201-8002A.0202);

Powers and duties of the district (Sections 8002A.0301-8002A.0306); and

General financial provisions and authority to impose a tax, accept grants, gifts, and donations, and to issue bonds and other obligations (Sections 8002A.0401-8002A.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 8002A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8002A.0307, as follows:

Sec. 8002A.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 the legislative interpretation of the requirements of Section 17(c) (relating to authorizing the legislature to enact a general, local, or special law granting the power of eminent domain to an entity), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2023.