

**BILL ANALYSIS**

C.S.H.B. 1372  
By: Isaac  
Special Purpose Districts  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Currently, certain land located in Caldwell County is undeveloped. Interested parties contend that in order for the area to be developed into residential, industrial, and commercial projects, water, sewer, drainage, and road services need to be secured. C.S.H.B. 1372 seeks to address this issue.

**CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

**RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

**ANALYSIS**

C.S.H.B. 1372 amends the Special District Local Laws Code to create the Cotton Center Municipal Utility District No. 1, subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects and provides for 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, if it does not receive a two-thirds vote of all the members elected to each house, prohibits the district from exercising the power of eminent domain.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1372 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8492 to read as follows: <u>CHAPTER 8492. COTTON CENTER</u>	SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8492 to read as follows: <u>CHAPTER 8492. COTTON CENTER</u>

MUNICIPAL UTILITY DISTRICT NO. 1  
SUBCHAPTER A. GENERAL  
PROVISIONS

Sec. 8492.001. DEFINITIONS.

Sec. 8492.002. NATURE OF DISTRICT.

Sec. 8492.003. CONFIRMATION AND  
DIRECTORS' ELECTION REQUIRED.

Sec. 8492.004. CONSENT OF  
MUNICIPALITY REQUIRED.

Sec. 8492.005. FINDINGS OF PUBLIC  
PURPOSE AND BENEFIT.

Sec. 8492.006. INITIAL DISTRICT  
TERRITORY.

SUBCHAPTER B. BOARD OF  
DIRECTORS

Sec. 8492.051. GOVERNING BODY;  
TERMS.

Sec. 8492.052. TEMPORARY  
DIRECTORS. (a) On or after the effective  
date of the Act enacting this chapter, the  
owner or owners of a majority of the  
assessed value of the real property in the  
district may submit a petition to the  
commission requesting that the commission  
appoint as temporary directors the five  
persons named in the petition. The  
commission shall appoint as temporary  
directors the five persons named in the  
petition.

(b) Temporary directors serve until the  
earlier of:

(1) the date permanent directors are elected  
under Section 8492.003; or

(2) the fourth anniversary of the effective  
date of the Act enacting this chapter.

(c) If permanent directors have not been  
elected under Section 8492.003 and the  
terms of the temporary directors have  
expired, successor temporary directors shall  
be appointed or reappointed as provided by  
Subsection (d) to serve terms that expire on  
the earlier of:

(1) the date permanent directors are elected  
under Section 8492.003; or

(2) the fourth anniversary of the date of the  
appointment or reappointment.

(d) If Subsection (c) applies, the owner or  
owners of a majority of the assessed value  
of the real property in the district may  
submit a petition to the commission  
requesting that the commission appoint as  
successor temporary directors the five  
persons named in the petition. The  
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SUBCHAPTER B. BOARD OF  
DIRECTORS

Sec. 8492.051. GOVERNING BODY;  
TERMS.

Sec. 8492.052. TEMPORARY  
DIRECTORS. (a) The temporary board  
consists of:

(1) Angela Fulcher;

(2) Julie Dolby Casner;

(3) Laurie Gosda;

(4) Sandra Wood; and

(5) Cheri D. Hisaw.

(b) Temporary directors serve until the  
earlier of:

(1) the date permanent directors are elected  
under Section 8492.003; or

(2) the fourth anniversary of the effective  
date of the Act enacting this chapter.

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SUBCHAPTER C. POWERS AND DUTIES

Sec. 8492.101. GENERAL POWERS AND DUTIES.

Sec. 8492.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8492.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8492.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8492.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8492.151. DIVISION OF DISTRICT; PREREQUISITES.

Sec. 8492.152. LAW APPLICABLE TO NEW DISTRICT.

Sec. 8492.153. LIMITATION ON AREA OF NEW DISTRICT.

Sec. 8492.154. DIVISION PROCEDURES.

Sec. 8492.155. CONFIRMATION ELECTION FOR NEW DISTRICT.

Sec. 8492.156. TAX OR BOND ELECTION.

Sec. 8492.157. MUNICIPAL CONSENT.

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8492.201. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 8492.202. OPERATION AND MAINTENANCE TAX.

Sec. 8492.203. CONTRACT TAXES.

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8492.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 8492.252. TAXES FOR BONDS.

Sec. 8492.253. BONDS FOR ROAD PROJECTS.

SECTION 2. Establishes the boundaries of the Cotton Center Municipal Utility District No. 1.

temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8492.101. GENERAL POWERS AND DUTIES.

Sec. 8492.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8492.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 8492.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 8492.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8492.151. DIVISION OF DISTRICT; PREREQUISITES.

Sec. 8492.152. LAW APPLICABLE TO NEW DISTRICT.

Sec. 8492.153. LIMITATION ON AREA OF NEW DISTRICT.

Sec. 8492.154. DIVISION PROCEDURES.

Sec. 8492.155. CONFIRMATION ELECTION FOR NEW DISTRICT.

Sec. 8492.156. TAX OR BOND ELECTION.

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Sec. 8492.252. TAXES FOR BONDS.

Sec. 8492.253. BONDS FOR ROAD PROJECTS.

SECTION 2. Same as introduced version.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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 3. Same as introduced version.

SECTION 4. (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8492, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8492.106 to read as follows:

Sec. 8492.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) 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 4. Same as introduced version.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 5. Same as introduced version.