

BILL ANALYSIS

Senate Research Center
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S.B. 1407
By: Wentworth
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, there is no Sunfield Municipal Utility District No. 1 (district) with road powers. The proposed area of the district would encompass an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Buda. This area is located in Hays and Travis counties. Single-family residential and commercial development is occurring on this land, creating a need for the development of roads.

As proposed, S.B. 1407 provides regulations, powers, and duties related to the construction, maintenance, operation, and financing of roads or turnpikes to the Sunfield Municipal Utility District No. 1. Furthermore, this bill empowers the district to purchase, acquire, or construct facilities for roads to serve the future occupants of the land by utilizing tax-exempt bonds.

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 8200, as follows:

CHAPTER 8200. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8200.001. DEFINITION. Defines "district."

Sec. 8200.002. ELECTION DATE. Provides that Section 41.001(a) (Uniform Election Dates), Election Code, does not apply to certain elections.

[Reserves Sections 8200.003-8200.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8200.051. ROAD PROJECTS. (a) Authorizes the Sunfield Municipal Utility District No. 1 (district), to the extent authorized by Section 52 (Counties, Cities, or Other Political Corporations or Subdivisions; Lending Credit, Grants, Bonds), Article III, Texas Constitution, to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside of the district.

(b) Requires a road project to meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located and each county in which the district is located.

Sec. 8200.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. Authorizes, on completion of a road or road facility authorized by this section, the district, with the consent of a municipality or county, to convey the road or road facility

to the municipality or county if the conveyance is free of all indebtedness of the district. Provides that if the municipality or county becomes the owner of a road or road facility, the municipality or county is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agree to by the district and the municipality or county.

Sec. 8200.053. REIMBURSEMENT FOR ROAD PROJECT. (a) Authorizes the district to reimburse a private person for money spent to construct a road or road facility that is dedicated or otherwise transferred to public use or to purchase a road or road facility constructed by a private person.

(b) Authorizes the amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) to include all construction costs, including engineering, legal, financing, and other expenses incident to the construction, or to be at a price not to exceed the replacement cost of the road or road facility as determined by the board of directors of the district.

(c) Authorizes the reimbursement or purchase of a road or road facility to be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) Authorizes the district to enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. Authorizes the agreement to provide the terms under which the road or road facility is to be dedicated or transferred for the benefit of the public.

[Reserves Sections 8200.054-8200.100 for expansion.]

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8200.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. Authorizes the district to impose an ad valorem tax to pay the principal of or interest on bonds issued under Section 8200.151.

[Reserves Sections 8200.102-8200.150 for expansion.]

SUBCHAPTER D. BONDS

Sec. 8200.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, and to finance the construction, maintenance, or operation of projects under Section 8200.051.

(b) Prohibits the district from issuing bonds or other obligations to finance projects authorized by Section 8200.051 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8200.051 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, do not apply to a project undertaken by the district under Section 8200.051 or to bonds issued by the district to finance the project.

SECTION 2. 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 3. Effective date: upon passage or September 1, 2007.