

BILL ANALYSIS

Senate Research Center
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S.B. 1408
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The proposed area of the Sunfield Municipal Utility District No. 3 (district) encompasses an area of land outside the corporate limits of any city and within the extraterritorial jurisdiction of the City of Buda. It is located in Hays and Travis counties. The land located within the district is a single-family residential and commercial area, which creates a need for roads.

As proposed, S.B. 1408 creates and provides for the Sunfield County Municipal Utility District No. 3 additional powers related to the construction, maintenance, operation, and financing of roads or turnpikes. The bill empowers the district to purchase, acquire, and construct facilities for roads to serve the future occupants of the land 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 8201, as follows:

CHAPTER 8201. SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8201.001. DEFINITION. Defines "district."

Sec. 8201.002. ELECTION DATE. Provides that Section 41.001(a) (relating to certain election dates), Election Code, does not apply to an election to confirm the Sunfield Municipal Utility District's (district) creation, to elect initial directors, or to approve a maintenance tax, a bond, or a contract.

[Reserves Sections 8201.003-8201.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8201.051. ROAD PROJECTS. (a) Authorizes the district, to the extent authorized by the 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 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 of each county in which the district is located.

Sec. 8201.052. CONVEYANCE OF ROAD TO MUNICIPALITY OR COUNTY. Authorizes the district, with the consent of a municipality or county, on completion of a road or road facility authorized by this section, 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 agreed to by the district and the municipality or county.

Sec. 8201.053. 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 or be at a price not to exceed the replacement cost of the road or road facility as determined by the board.

(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 8201.054-8201.100 for expansion.]

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 8201.101. 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 8201.151.

[Reserves Sections 8201.102-8201.150 for expansion.]

SUBCHAPTER D. BONDS

Sec. 8201.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations and to finance the construction, maintenance, or operation of projects under Section 8201.051.

(b) Prohibits the district from issuing bonds or other obligations to finance projects authorized by Section 8201.051 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 8201.051 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 8201.051 or to bonds issued by the district to finance the project.

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