

BILL ANALYSIS

Senate Research Center
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S.B. 1869
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Cordillera Ranch is an 8,700-acre master planned hill country community with estate-sized lots. The development started in 1997 and there have been 1,138 residential lots developed on 4,922 acres representing a density of one lot per 4.3 acres. Cordillera Ranch is located in Kendall County wholly outside the corporate and extraterritorial boundaries of any municipality. The initial 715 lots developed were served by individual water wells and septic systems due to a lack of a regional water supply. Between 2005 and 2007 a centralized water system and separate wastewater collection and treatment system were constructed and a water supply contract negotiated with the Guadalupe Blanco River Authority to provide service from the authority's Western Canyon Project. To date, 423 lots have been developed with connections to this central water system/ wastewater treatment system.

Creation of the proposed municipal utility district would facilitate the development of the remaining 2,386 acres of Cordillera Ranch with centralized water and wastewater systems and avoid the need to drill and construct individual wells and septic systems on the anticipated 1,200 lots. Creation of the Kendall County Municipal Utility District No. 1 (district) will provide certain improvement projects and services that confer a special benefit on property in the district facilitate a means to pay for such projects and services by limited taxes. The district's taxing authority will terminate upon payment the district's retirement of the voter approved bonds, unless the district conducts a separate election to approve and authorize additional taxing authority.

As proposed, S.B. 1869 amends current law relating to the creation of the Kendall 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, or 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 8484, as follows:

CHAPTER 8484. KENDALL COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation, purpose, and approval of the district (Sections 8484.001-8484.006);

Size, composition, election, and terms of the board of directors, including the appointment of temporary directors (Sections 8484.051-8484.052);

Powers and duties of the district (Sections 8484.101-8484.103); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8484.151-8484.202).

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 8484, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8484.104, as follows:

Sec. 8484.104. 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 eminent domain only on a two-thirds vote of all members elected to each house), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2013.