

BILL ANALYSIS

Senate Research Center
84R19153 AAF-F

H.B. 1372
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Administration
5/11/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are 2,358 acres of land in Caldwell County that are ripe for development. The land is located in one of the fastest growing regions of the state where housing, schools, and other infrastructure are greatly needed. The creation of a municipal utility district (MUD) would significantly accelerate the development of roadways, drainage, wastewater, and other basic infrastructure in the area.

H.B. 1372 authorizes the creation of Cotton Center MUD No. 1 (district) in the extraterritorial jurisdiction of the City of San Marcos in Caldwell County. It also names the five temporary directors of the district. The MUD is responsible for providing basic infrastructure services within its boundaries.

H.B. 1372 amends current law relating to the creation of the Cotton Center Municipal Utility District No. 1, 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 8492, as follows:

CHAPTER 8492. COTTON CENTER MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation and approval of district (Sections 8492.001-8492.006);

Size, composition, election, and terms of the board of directors of the district, including the naming of temporary directors (Sections 8492.051 and 8492.052);

Powers and duties of the district (Section 8492.101-8492.105);

Division of district into multiple districts (Sections 8492.151-8492.157); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8492.201-8492.203 and Sections 8492.251-8492.253).

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 8492, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8492.106, as follows:

Sec. 8492.106. 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) (authorizing the legislature, on or after January 1, 2010, to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2015.