

## **BILL ANALYSIS**

Senate Research Center

H.B. 4345  
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Intergovernmental Relations  
7/6/2017  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 4345 creates the Rio de Vida Municipal Utility District No. 1 (district). The district encompasses approximately 2,132 acres of land located in Travis County. Water, sewer, drainage, and road facilities need to be secured because the land to be located within the district will be developed for mixed-use purposes. The district is created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The district will have standard road powers and must comply with all applicable city standards. The district will have the authority to divide; any new district created by division may not, at the time of creation, contain any land outside the initial boundaries of the district. The district will have the authority to contract to further regional cooperation and will have the authority to administer programs for economic development, upon city consent. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct facilities. It is also necessary to empower the district with authority to impose an ad valorem tax, and a sales and use tax, that is capped at the lesser of the rate adopted by the City of Austin or two percent. (Original Author's / Sponsor's Statement of Intent)

H.B. 4345 amends current law relating to the creation of the Rio de Vida Municipal Utility District No. 1 and the creation of the Southwestern Travis County Groundwater Conservation District; provides authority to impose taxes and fees; and provides authority to issue bonds.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

SECTION 1.01. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8013, as follows:

#### CHAPTER 8013. RIO DE VIDA MUNICIPAL UTILITY DISTRICT NO. 1

Sets forth standard language for the creation of the Rio De Vida Municipal Utility District No. 1 (RV district). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the RV district (Sections 8013.001-8013.050);

Size, composition, election, and terms of the board of directors of the RV district, including provisions for temporary directors (Sections 8013.051-8013.100);

Powers and duties of the RV district (Sections 8013.101-8013.150);

Division of RV district into multiple districts (Sections 8013.151-8013.200);

General financial provisions and authority to impose a tax and to issue bonds and obligations for the RV district (Sections 8013.201-8013.400); and

Municipal annexation and dissolution of the RV district (Sections 8013.401-8013.403).

Prohibits the RV district from exercising the power of eminent domain.

SECTION 1.02. Sets forth the initial boundaries of the RV district.

SECTION 1.03. 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 1.04. Effective date, this article: upon passage or September 1, 2017.

## ARTICLE 2. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

SECTION 2.01. Provides that the legislature finds that the creation of the Southwestern Travis County Groundwater Conservation District (SWT district) is consistent with the state's preferred method of groundwater management; will protect property rights, balance the development and conservation of groundwater with the needs of this state, and use the best available science in the area of groundwater through rules developed, adopted, and promulgated by the SWT district in accordance with the provision of Chapter 8871, Special District Local Laws Code, as added by this article; and will be a benefit to the land in the SWT district and a public benefit and utility. Provides that the legislature finds that the SWT district is created to protect the interests of private property ownership while balancing the interests of all property owners in the SWT district, manage groundwater resources, and protect the groundwater in the SWT district, and although a property owner of land in the SWT district is not entitled to an equal amount of water as another property owner of land in the SWT district, a property owner does not have vested ownership interest in the groundwater beneath the owner's property, and the SWT district is required to recognize that ownership interest. Provides that the legislature finds that the SWT district is not created to prohibit or restrict development of private property in the SWT district.

SECTION 2.02. Amends Subtitle H, Title 6, Special District Local Laws Code, by adding Chapter 8871, as follows:

### CHAPTER 8871. SOUTHWESTERN TRAVIS COUNTY GROUNDWATER CONSERVATION DISTRICT

Sets forth standard language for the creation of the SWT district. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the SWT district (Sections 8871.001-8871.020);

Size, composition, election, and terms of the board of directors of the SWT district, including provisions for temporary directors (Sections 8871.021-8871.100);

Powers and duties of the SWT district (Sections 8871.101-8871.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the SWT district (Sections 8871.151-8871.157);

Prohibits the district from exercising the power of eminent domain.

SECTION 2.03. Sets forth the initial boundaries of the SWT district.

SECTION 2.04. 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 2.05. Effective date, this article: September 1, 2017.