

BILL ANALYSIS

Senate Research Center
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H.B. 4689
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4689 creates the Round Rock Municipal Utility District No. 1 (district). It is located within the corporate city limits of Round Rock. Within this district will be a planned community hosting just over 1200 freestanding residential homes and approximately 12 acres of retail business. Located near the intersection of University Drive and SH 130, the district will have powers to issue bonds for the purpose of providing water, sewer and road infrastructure for the community, subject to voter approval. The district must also obtain voter approval at an election before imposing an ad valorem tax or issuing bonds secured by ad valorem taxes. The district may only finance a road project with bonds payable from ad valorem taxes if the issuance is approved by a two-thirds majority of district voters. Additionally, the property owner and the city have already entered into an agreement providing that once the infrastructure bonds have been paid off, the district will dissolve, the municipal utility district taxes will cease, and the district's assets will be transferred to the city. We have a resolution from the city approving this district's formation. This is a template municipal utility district.

H.B. 4689 amends current law relating to the creation of the Round Rock 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 8094, as follows:

CHAPTER 8094. ROUND ROCK MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation and approval of the district (Sections 8094.0101– 8094.0106);

Size, composition, election or appointment, compensation and terms of the board of directors of the district, including the naming of and provisions related to temporary directors (Sections 8094.0201– 8094.0202);

Powers and duties of the district (Sections 8094.0301– 8094.0305);

General financial provisions and authority to impose an assessment (Sections 8094.0401–8094.0403); and

Authority to impose a tax and to issue bonds and obligations for the district (Sections 8094.0501–8094.0503).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. 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 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 8094, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8094.0306, as follows:

Sec. 8094.0306. 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), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2019.