

## **BILL ANALYSIS**

Senate Research Center  
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H.B. 4709  
By: Smith (Fallon)  
Intergovernmental Relations  
5/16/2019  
Engrossed

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

H.B. 4709 creates Grayson County Municipal Utility District No. 1 (district). The district will encompass approximately 480.559 acres of land located within Grayson County, Texas. The district is located within the extraterritorial jurisdiction the City of Gunter, Texas. H.B. 4709 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes.

H.B. 4709 follows the template in all regards, except it gives the district the authority to divide and requires that any new district created by division must hold a confirmation election. H.B. 4709 also provides that the district may be annexed into the corporate limits of the City of Gunter without being dissolved.

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 full road powers and must comply with all applicable road standards. H.B. 4709 provides that the district may not act as a retail water provider, and the district must make its facilities available to the certificate of convenience and necessity holder. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the facilities. It is also necessary to empower the district with authority to impose a tax and to grant the district a limited power of eminent domain. The bill provides for the creation, administration, powers, duties, operation, and financing of the district.

H.B. 4709 amends current law relating to the creation of the Grayson 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, 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 8041, as follows:

#### CHAPTER 8041. GRAYSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

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

Creation and approval of the district (Sections 8041.0101–8041.0107);

Size, composition, election, and terms of the board of directors of the district, including provisions related to initial temporary directors (Sections 8041.0201–8041.0202);

Powers and duties of the district (Sections 8041.0301–8041.0306);

General financial provisions and authority to impose a tax (Sections 8041.0401–8041.0403); and

Authority to issue bonds and obligations for the district (Sections 8041.0501–8041.0503).

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 8041, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8041.0307, as follows:

Sec. 8041.0307. 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: September 1, 2019.