

## **BILL ANALYSIS**

Senate Research Center  
86R13341 AAF-F

H.B. 4720  
By: Stucky (Fallon)  
Intergovernmental Relations  
5/15/2019  
Engrossed

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

H.B. 4720 creates Burns Branch Municipal Utility District No. 1 of Denton County (district). The district will encompass approximately 2,282.148 acres of land located within Denton and Wise Counties, Texas. The district is not located within the extraterritorial jurisdiction or corporate limits of any city.

H.B. 4720 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. 4720 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. 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 road standards. 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. 4720 amends current law relating to the creation of the Burns Branch Municipal Utility District No. 1 of Denton County; 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 8095, as follows:

#### **CHAPTER 8095. BURNS BRANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF DENTON COUNTY**

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

Creation and approval of the district (Sections 8095.0101–8095.0106);

Size, composition, election, and terms of the board of directors of the district, including provisions related to temporary directors (Sections 8095.0201–8095.0202);

Powers and duties of the district (Sections 8095.0301–8095.0306);

General financial provisions, including authority to impose a tax (Sections 8095.0401–8095.0403); and

Authority to issue bonds and obligations for the district (8095.0501–8095.0503).

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 8095, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8095.0307 to read as follows:

Sec. 8095.0307. 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.