

## BILL ANALYSIS

Senate Research Center  
86R27810 SLB-F

C.S.S.B. 2530  
By: Fallon  
Intergovernmental Relations  
4/25/2019  
Committee Report (Substituted)

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

S.B. 2530 creates Van Alstyne Municipal Utility District No. 2 of Collin County (the "district"). The district will encompass approximately 1,646.62 acres of land located within Collin County, Texas. The district is located within the extraterritorial jurisdiction of the City of Van Alstyne, Texas (the "city"). S.B. 2530 is a standard template bill and provides for water, sewer, drainage, and full road facilities (the "facilities"), which need to be secured because the land to be located within the district will be developed for residential and commercial purposes.

S.B. 2530 follows the template in all regards, except (i) it gives the district the authority to divide and requires that any new district created by division must hold a confirmation election, (ii) the district may not hold its confirmation election until it has entered into contracts for the provision of police, fire and emergency medical services deemed adequate to Collin County, (iii) the district shall maintain all roads constructed by it, unless another governmental entity agrees to maintain, (iv) it limits the district's power of eminent domain, (iv) it gives the city authority to issue permits and building and health regulations inside the boundaries of the district, and (v) it gives the district the authority to adopt an animal control ordinance. Items (ii) through (v) are included at the insistence of Collin County.

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. S.B. 2530 provides for the creation, administration, powers, duties, operation, and financing of the district.

Both the City of Van Alstyne and Collin County have adopted resolutions consenting to the creation of the district.

#### Committee Substitute Changes

1. "Conditions Precedent to Confirmation Election" – The district may not hold its confirmation election until it has entered into contracts for the provision of police, fire, and emergency medical services deemed adequate to Collin County.
2. "Road Standards and Requirements" – The district shall maintain all roads constructed by it, unless another governmental entity agrees to maintain.
3. "Limitation on Use of Eminent Domain" – The district's power of eminent domain is limited.
4. "Permits and Regulations" – This section gives the City of Van Alstyne the authority to issue building permits and certificates of occupancy, enforce the city's building codes, enforce the city's health regulations, and perform inspections necessary to confirm compliance with permits and regulations within the boundaries of the district.
5. "Animal Control Ordinance" – This section gives the district the authority to adopt and enforce an animal control ordinance inside the boundaries of the district.

C.S.S.B. 2530 amends current law relating to the creation of the Van Alstyne Municipal Utility District No. 2 of Collin 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 8048, as follows:

#### CHAPTER 8048. VAN ALSTYNE MUNICIPAL UTILITY DISTRICT NO. 2 OF COLLIN COUNTY

Sets forth standard language for the creation of the Van Alstyne Municipal Utility District No. 2 (district) of Collin County in Collin County. Sets forth standards, requirements, and criteria for:

Creation, approval, purpose, and initial territory of the district (Sections 8048.0101–8048.0106);

Size, composition, election, and terms of the board of directors of the district and provisions relating to temporary appointed directors (Sections 8048.0201–8048.0202);

Powers and duties of the district (Sections 8048.0301–8048.0309);

General financial provisions (Sections 8048.0401–8048.0403);

Authority to issue bonds and other obligations for the district (Sections 8048.0501–8048.0503); and

Authority to issue certain permits and enforce certain codes and regulations (Sections 8048.0601).

Authorizes limited eminent domain power in certain areas under certain circumstances.

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 Section 8048.0309, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8048 Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8048.0309, as follows:

Sec. 8048.0309. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) 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.