

BILL ANALYSIS

C.S.H.B. 1074
By: Metcalf
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, certain land located within the extraterritorial jurisdiction of the City of Cut and Shoot is undeveloped. Interested parties contend that the area would benefit from the creation of a municipal utility district to provide for single-family residential and commercial development. C.S.H.B. 1074 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1074 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 145, subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill, if it does not receive a two-thirds vote of all the members elected to each house, prohibits the district from exercising the power of eminent domain.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1074 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8498 to read as follows:
CHAPTER 8498. MONTGOMERY

HOUSE COMMITTEE SUBSTITUTE

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CHAPTER 8498. MONTGOMERY

COUNTY MUNICIPAL UTILITY
DISTRICT NO. 145

SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 8498.001. DEFINITIONS.

Sec. 8498.002. NATURE OF DISTRICT.

Sec. 8498.003. CONFIRMATION AND
DIRECTORS' ELECTION REQUIRED.

Sec. 8498.004. CONSENT OF
MUNICIPALITY REQUIRED.

Sec. 8498.005. FINDINGS OF PUBLIC
PURPOSE AND BENEFIT.

Sec. 8498.006. INITIAL DISTRICT
TERRITORY.

SUBCHAPTER B. BOARD OF
DIRECTORS

Sec. 8498.051. GOVERNING BODY;
TERMS.

Sec. 8498.052. TEMPORARY
DIRECTORS.

SUBCHAPTER C. POWERS AND
DUTIES

Sec. 8498.101. GENERAL POWERS AND
DUTIES.

Sec. 8498.102. MUNICIPAL UTILITY
DISTRICT POWERS AND DUTIES.

Sec. 8498.103. AUTHORITY FOR ROAD
PROJECTS.

Sec. 8498.104. ROAD STANDARDS
AND REQUIREMENTS.

Sec. 8498.105. COMPLIANCE WITH
MUNICIPAL CONSENT ORDINANCE
OR RESOLUTION.

Sec. 8498.106. DIVISION OF DISTRICT.

(a) The district may be divided into two or
more new districts only if the district:

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

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Sec. 8498.103. AUTHORITY FOR ROAD
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Sec. 8498.104. ROAD STANDARDS
AND REQUIREMENTS.

Sec. 8498.105. COMPLIANCE WITH
MUNICIPAL CONSENT ORDINANCE
OR RESOLUTION.

No equivalent provision.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section 2 of the Act creating this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8498.003 to confirm the creation of the district and before or after an election under Section 8498.151 to authorize the issuance of bonds.

(f) An order dividing the district must:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the commission and record the order in the real property records of each county in which the district is located.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8498.003.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8498.151. ELECTIONS REGARDING TAXES OR BONDS.

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Sec. 8498.152. OPERATION AND MAINTENANCE TAX.

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Sec. 8498.153. CONTRACT TAXES.

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SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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Sec. 8498.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

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Sec. 8498.202. TAXES FOR BONDS.

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Sec. 8498.203. BONDS FOR ROAD PROJECTS.

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SECTION 2. Establishes initial boundaries for the Montgomery County Municipal Utility District No. 145.

SECTION 2. Same as introduced version.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

SECTION 3. Same as introduced version.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8498, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8498.107 to read as follows:

SECTION 4. Same as introduced version.

Sec. 8498.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(b) 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. This Act takes effect September 1, 2015.

SECTION 5. Same as introduced version.