

## **BILL ANALYSIS**

S.B. 2506  
By: Creighton  
Land & Resource Management  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been suggested that changes should be made to statutory provisions governing municipal utility districts regarding standard road powers and to streamline the process for designation of a defined area by a district. S.B. 2506 seeks to address these issues by setting out provisions relating to the powers and authorities of municipal utility districts.

### **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**

S.B. 2506 amends the Water Code, with respect to a provision authorizing a municipal utility district or petitioner seeking the creation of a district to petition the Texas Commission on Environmental Quality to acquire the power under the authority of certain Texas Constitution provisions to design, acquire, construct, finance, issue bonds for, and convey to the state, a county, or a municipality for operation and maintenance, a road or any improvement in aid of the road, to include under such power the operation and maintenance of a road or improvement. The bill repeals the provision that requires the road to meet the criteria for a thoroughfare, arterial, or collector road of a county in whose jurisdiction the proposed road project is located or of a municipality in whose corporate limits or extraterritorial jurisdiction the proposed road project is located.

S.B. 2506 decreases from 1,500 to 1,000 the minimum acreage of a district establishing that a district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole. The bill replaces the requirement that a district's board of directors adopt a proposed plan for improvements in a defined area or to serve a designated property in a certain manner with a requirement that the board file an engineer's report for such improvements or service. The bill repeals provisions that require publication of notice of the adoption of proposed plans for a defined area or designated property, that provide for a related hearing, and that authorize a board to approve the proposed plans for the defined area or designated property or modify the proposed plans after the hearing is completed.

S.B. 2506 changes the condition under which a district may apply separately, differently, equitably, and specifically its taxing power and lien authority to a defined area or designated property to provide money to construct, administer, maintain, and operate improvements and

facilities that primarily benefit the defined area or designated property from on adoption of the plans as provided by certain provisions and voter approval of the plans to on adoption of the proposed plan as provided by provisions relating to services for certain defined areas and designated property and voter approval of taxes and bonds.

S.B. 2506 replaces a provision requiring adopted plans to be approved by the voters in the defined area or within the boundaries of the designated property before the plans may become effective with a provision requiring bonds and taxes to be approved as such before the bonds may be issued or the taxes may be levied for the defined area or designated property and provides for the conducting of the election in certain manner for an election to authorize an operation and maintenance tax. The bill repeals provisions relating to ballots for an election under provisions relating to services for certain defined areas and designated property and provisions relating to the declaration of the results of an election and the issuance of an order establishing the defined area or designating property. The bill removes a provision that authorizes a district, after the order is recorded, to issue its bonds to provide the specific plant, works, and facilities included in the plans adopted for the defined area, or to serve the designated property and that requires the district to provide the plant, works, and facilities. The bill replaces that provision with an authorization for the district, after approval by the voters, to issue its bonds and levy taxes to provide the specific plant, works, and facilities included in the engineer's report for the defined area, or to serve the designated property. The bill revises provisions relating to the applicable notice to purchasers.

S.B. 2506 repeals the following provisions of the Water Code:

- Section 54.234(b)
- Section 54.803
- Section 54.804(a)
- Section 54.807
- Section 54.808

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.