

## **BILL ANALYSIS**

S.B. 2174  
By: Creighton  
Land & Resource Management  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

There have been calls to amend the powers and duties of the Montgomery County Municipal Utility District No. 152 to help the district better serve the local community. S.B. 2174 seeks to achieve this goal.

### **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. 2174 amends the Special District Local Laws Code to authorize the division of the Montgomery County Municipal Utility District No. 152 into two or more new districts only if the district has no outstanding bonded debt and is not imposing property taxes. The bill applies the district's governing provisions to any new district created by the division of the Montgomery County Municipal Utility District No. 152 and grants a new district all the powers and duties of the Montgomery County Municipal Utility District No. 152. The bill prohibits a new district created by the division, at the time the new district is created, from containing any land outside the area located within the Montgomery County Municipal Utility District No. 152 as of January 1, 2021.

S.B. 2174 authorizes the board of directors of the Montgomery County Municipal Utility District No. 152, 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, to adopt an order dividing the district. The bill authorizes the board to adopt such an order before or after the date the board holds an election to confirm the district's creation. The bill sets out requirements for the order, including a filing and recording requirement.

S.B. 2174 requires any new district created by the division of the Montgomery County Municipal Utility District No. 152 to hold a confirmation and directors' election and requires any new district whose creation is confirmed to provide the election date and results to the Texas Commission on Environmental Quality. The bill requires a new district to hold an election to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from property taxes. The bill establishes that municipal consent to the creation of the Montgomery County Municipal Utility District No. 152 and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division

of the Montgomery County Municipal Utility District No. 152 and to the inclusion of land in the new district.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.