

## **BILL ANALYSIS**

Senate Research Center  
77R12401 MI-F

C.S.H.B. 3195  
By: Howard (Brown, J. E. "Buster")  
Natural Resources  
5/9/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

Municipal Utility Districts (MUDs) are political subdivisions of the state and are created to supply water and wastewater services to areas not served by municipal utility services. MUDs may buy property, make loans, issue revenue bonds secured by ad valorem taxes, and charge user fees. MUDs are usually located within a city's extraterritorial jurisdiction, but may also be located within a city's boundaries. The Fort Bend County Municipal Utility District Number 134 is composed of approximately 2337 acres of property owned by the Texas Department of Transportation (TxDOT) and is intended to enhance the value of the property before the General Land Office offers it for sale on behalf of TxDOT. C.S.H.B. 3195 creates the Fort Bend County Municipal Utility District Number 134.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Fort Bend County Municipal Utility District Number 134 in SECTION 3.02 of this bill.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. GENERAL PROVISIONS

SECTION 1.01. CREATION. Sets forth provisions regarding the creation of the Fort Bend County Municipal Utility District Number 134 (district).

SECTION 1.02. DEFINITIONS. Defines "city," "district," and "board."

SECTION 1.03. BOUNDARIES. Provides that the district includes the territory contained within certain areas.

#### ARTICLE 2. ADMINISTRATIVE PROVISIONS

SECTION 2.01. BOARD. Sets forth provisions regarding the board of the district.

SECTION 2.02. DIRECTOR ELIGIBILITY. Sets forth provisions regarding director eligibility.

SECTION 2.03. APPOINTMENT OF INITIAL DIRECTORS. Sets forth provisions regarding the appointment of initial directors.

SECTION 2.04. ELECTION OF PERMANENT DIRECTORS. Sets forth provisions regarding the election of permanent directors.

SECTION 2.05. MEETINGS AND BOARD ACTIONS. Sets forth provisions regarding meetings and board actions.

SECTION 2.06. APPOINTMENT OF BOARD SECRETARY AND TREASURER. Sets forth provisions regarding the appointment of a board secretary and treasurer.

SECTION 2.07. CONFLICT OF INTEREST: CONTRACT. Sets forth provisions regarding conflict of interest by directors of the district.

SECTION 2.08. DISTRICT EMPLOYEES. Authorizes the district to employ certain persons.

SECTION 2.09. EMPLOYEE BONDS. Sets forth provisions regarding employee bonds.

SECTION 2.10. PRINCIPAL OFFICE. Sets forth provisions regarding the location of a principal office in Fort Bend County or Travis County.

SECTION 2.11. RECORDS. Sets forth provisions regarding records to be kept by the district at its principal office.

### ARTICLE 3. AUTHORITY OF DISTRICT

SECTION 3.01. POWERS AND DUTIES. Sets forth powers and duties of the district.

SECTION 3.02. DISTRICT RULES. Authorizes the district to adopt and enforce certain rules.

SECTION 3.03. INSPECTIONS AND INVESTIGATIONS. Sets forth provisions regarding inspections and investigations by the district.

SECTION 3.04. HEARINGS AND ORDERS. Sets forth provisions regarding hearings and orders by the board of the district.

SECTION 3.05. CIVIL PENALTY; INJUNCTION. Sets forth provisions regarding the imposition of civil penalties and injunctions by the district.

SECTION 3.06. PERMITS; CONTRACTS; COOPERATIVE AGREEMENTS. Sets forth provisions regarding the district's ability to obtain certain permits, contract with certain users, and enter into contracts.

SECTION 3.07. FACILITIES. Sets forth provisions regarding facilities.

SECTION 3.08. USE OF PUBLIC ROADWAYS, STREETS, ALLEYS, OR EASEMENTS. Sets forth provisions regarding the use of streets, alleys, or easements by the district.

SECTION 3.09. RELOCATION OF FACILITIES. Sets forth provisions regarding the relocation of facilities.

### ARTICLE 4. GENERAL FISCAL PROVISIONS

SECTION 4.01. DISBURSEMENT OF MONEY. Sets forth provisions regarding the disbursement of money by the district.

SECTION 4.02. FEES AND CHARGES. Authorizes the district to establish certain fees and charges.

SECTION 4.03. LOANS AND GRANTS. Authorizes the district to apply for and receive certain loans and grants.

SECTION 4.04. DEPOSITORY BANKS. Sets forth provisions regarding depository banks.

### ARTICLE 5. BOND AND TAX PROVISIONS

SECTION 5.01. TAXES; REVENUE BONDS. Sets forth provisions regarding taxes and revenue

bonds.

SECTION 5.02. BOND ANTICIPATION NOTES. Sets forth provisions regarding bond anticipation notes.

SECTION 5.03. REFUNDING BONDS. Sets forth provisions regarding the refunding of bonds by the district.

SECTION 5.04. APPROVAL AND REGISTRATION OF BONDS. Provides that district bond review and approval is governed by Chapter 49F, Water Code.

SECTION 5.05. PROPERTY: RENDITION; VALUATION; LEVY. Sets forth provisions regarding rendition and valuation of property, and levy of taxes by the district.

#### ARTICLE 6. ADDITION AND EXCLUSION OF LAND

SECTION 6.01. ANNEXATION. Authorizes the district to add territory.

SECTION 6.02. PETITION TO ADD LAND. Sets forth provisions regarding a petition to add land.

SECTION 6.03. NOTICE AND HEARING. Sets forth provisions regarding notice and hearing for filed petitions.

SECTION 6.04. ANNEXATION ORDER. Sets forth provisions regarding an annexation order.

SECTION 6.05. PETITION TO EXCLUDE LAND. Sets forth provisions regarding the procedures regulating a petition to exclude certain land.

SECTION 6.06. NOTICE AND HEARING. Sets forth provisions regarding notice and hearing for excluding certain lands from the district.

SECTION 6.07. EFFECTIVE DATE OF ORDER EXCLUDING LAND. Sets forth provisions regarding the effective date of an order excluding land.

SECTION 6.08. PETITION FOR RATIFICATION ELECTION. Sets forth provisions regarding a petition for ratification election.

#### ARTICLE 7. DIVISION OF DISTRICT

SECTION 7.01. CONDITIONS OF DIVISION. Sets forth provisions regarding the conditions of division of district territory.

SECTION 7.02. PROVISIONS RELATING TO NEW DISTRICTS. Sets forth provisions regarding new districts.

SECTION 7.03. APPOINTMENT AND ELECTION OF DIRECTORS. Sets forth provisions regarding appointment and election of directors in a newly divided district.

SECTION 7.04. PAYMENT OF DISTRICT DEBTS. Sets forth provisions regarding the payment of debt by the district following a division.

SECTION 7.05. AUTHORITY OF DISTRICTS RESULTING FROM DIVISION. Sets forth provisions regarding the authority of districts to incur and pay certain debts.

SECTION 7.06. ASSUMPTION OF OBLIGATIONS. Sets forth provisions regarding assumption of

obligations by the district.

SECTION 7.07. NOTICE TO TEXAS NATURAL RESOURCE CONSERVATION COMMISSION. Requires the district to provide written notice of a plan to divide the district not later than the 30th day after the date on which the board decides to divide the district.

#### ARTICLE 8. ANNEXATION AND DISSOLUTION OF DISTRICT

SECTION 8.01. ANNEXATION. Sets forth provisions regarding annexation by the city.

#### ARTICLE 9. MISCELLANEOUS PROVISIONS

SECTION 9.01. TAX EXEMPTION. Sets forth provisions regarding the tax exempt status of the district.

SECTION 9.02. INITIAL DIRECTORS ELECTION. Sets forth provisions regarding the initial election of directors of the district.

SECTION 9.03. FINDINGS RELATING TO PROCEDURAL REQUIREMENTS. Provides that the proper and legal notice of the intentions of the proposed district have been furnished to certain persons and entities.

SECTION 9.04. EFFECTIVE DATE. upon passage or September 1, 2001.

#### **SUMMARY OF COMMITTEE CHANGES**

SECTION 3.09. Amends proposed language regarding the board negotiating the terms of relocation with the owner or operator of the facility to be relocated. Adds new language requiring the district to follow certain procedures.

SECTION 5.05. Adds new Subsection (f).