

BILL ANALYSIS

Senate Research Center
79R12750 HLT-F

H.B. 3476
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Intergovernmental Relations
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Fort Bend County Municipal Utility District No. 177 (district) will encompass an area of land outside of the corporate limits of any city and within the extraterritorial jurisdiction of the City of Rosenberg, Fort Bend County, Texas. The land to be located within the district will be developed into single family residential and commercial development; therefore, water, sewer, and drainage services need to be secured. It is necessary to create the district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, in order to purchase, acquire, or construct facilities for such services to serve the future occupants of the land utilizing tax exempt bonds.

H.B. 3476 provides regulations regarding the creation, administration, powers, duties, operation, and financing of the district.

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 8122, as follows:

CHAPTER 8122. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 177

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8122.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8122.002. NATURE OF DISTRICT. Sets forth that the Fort Bend County Municipal Utility District No. 177 (district) is a special district created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8122.003. CONFIRMATION ELECTION REQUIRED. Sets forth certain consequences if the creation of the district is not confirmed at a confirmation election held under Section 8122.023 before September 1, 2007.

Sec. 8122.004. INITIAL DISTRICT TERRITORY. Provides that the district is composed of the territory described by Section 2 of the Act creating this chapter. Provides that the boundaries and field notes form a closure. Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect the validity, legality, or certain rights of the district.

Sec. 8122.005. APPLICABILITY OF OTHER LAW. Provides that except as provided by this chapter, Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, apply to the district.

[Reserves Sections 8122.006-8122.020 for expansion.]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8122.021. TEMPORARY DIRECTORS. (a) Authorizes a person who owns land inside the boundaries of the district, on or after September 1, 2005, to petition the Texas Commission on Environmental Quality (commission) to appoint as temporary directors the five persons listed in the petition.

(b) Requires the commission to appoint as temporary directors the persons listed in a petition received by the commission under Subsection (a). Requires the commission, if it receives more than one petition, to appoint the directors listed in the first petition it receives.

(c) Requires the commission, if a temporary director fails to qualify for office, to appoint a person to fill the vacancy.

(d) Provides that temporary directors serve until the earlier of specific dates.

Sec. 8122.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to meet at a location in the district agreeable to a majority of the directors. Requires the meeting, if a location cannot be agreed upon, to be held at the Fort Bend County Courthouse. Requires the temporary directors, at the meeting, to elect officers from among the temporary directors and conduct any other district business.

Sec. 8122.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8122.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8122.023 to draw lots to determine which two shall serve until the first regularly scheduled election of directors under Section 8122.052 and which three shall serve until the second regularly scheduled election of directors.

Sec. 8122.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8122.026-8122.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8122.051. DIRECTORS; TERMS. Sets forth that the district is governed by a board of five directors who serve staggered four-year terms.

Sec. 8122.052. ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

[Reserves Sections 8122.053-8122.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8122.101. GENERAL POWERS. Sets forth that the district has all the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8122.102. ROAD PROJECTS. Authorizes the district to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

Sec. 8122.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Requires the district, subject to the limitations of Section 54.016 (Consent of City), Water Code, to comply with all applicable requirements of any ordinance or resolution adopted by the council of the City of Rosenberg, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

[Reserves Sections 8122.104-8122.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8122.151. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal of or interest on bonds issued under Section 8122.201.

Sec. 8122.152. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. Prohibits the district from imposing an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of certain utilities.

[Reserves Sections 8122.153-8122.200 for expansion.]

SUBCHAPTER E. BONDS

Sec. 8122.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, maintenance, or operation of projects under Sections 8122.101 and 8122.102.

(b) Prohibits the district from issuing bonds to finance projects authorized by Section 8122.102 unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8122.102 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, do not apply to a project undertaken by the district or to bonds issued by the district to finance the project.

SECTION 2. Sets forth the initial territory contained in the district.

SECTION 3. Provides that 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. Effective date: September 1, 2005.