

BILL ANALYSIS

Senate Research Center
79R11203 QS-F

S.B. 1873
By: Armbrister
Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 1873 creates the Fort Bend Municipal Utility District No. 167 (district) as a political subdivision of the State of Texas to finance and develop water, sewer, drainage, road, and other facilities to serve the property in the district, which is located entirely within the City of Rosenberg and Fort Bend County. The district will be a municipal utility district operating pursuant to Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code.

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 8142, as follows:

CHAPTER 8142. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT
NO. 167

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8142.001. DEFINITIONS. Defines "board," "city," "county," "director," and "district."

Sec. 8142.002. NATURE OF DISTRICT. Provides that the Fort Bend County Municipal Utility District No. 167 (district) is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8142.003. CONFIRMATION ELECTION REQUIRED. Requires the board of directors (board) to hold an election to confirm the creation of the district as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8142.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) Provides that all land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

(b) Provides that the district is created for the same purposes as other districts and certain public works and improvements.

Sec. 8142.005. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that a mistake made in the field notes or in copying the field notes in the legislative process does not affect certain aspects of the district.

Sec. 8142.006. CONSTRUCTION OF CHAPTER. Requires this chapter to be liberally construed in conformity with the findings and purposes set forth in this chapter.

[Reserves Sections 8142.007-8142.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8142.051. DIRECTORS; TERMS. (a) Provides that the district is governed by a board of five directors.

(b) Provides that, except as provided by Section 8142.053, directors serve staggered four-year terms.

Sec. 8142.052. ELECTION OF DIRECTORS. Requires, on the uniform election date in May of each even-numbered year, the appropriate number of directors to be elected.

Sec. 8142.053. INITIAL DIRECTORS. (a) Sets forth the initial composition of the board.

(b) Provides that the terms of the first three directors named in Subsection (a) expire on the uniform election date in May of 2006, and the terms of the last two directors named in Subsection (a) expire on the uniform election date in May of 2008.

(c) Provides that this section expires September 1, 2009.

[Reserves Sections 8142.054-8142.100 for expansion.]

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8142.101. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8142.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8142.103. EMINENT DOMAIN. Authorizes the district to exercise the power of eminent domain as provided by Section 49.222 (Eminent Domain), Water Code.

[Reserves Sections 8142.104-8142.150 for expansion.]

SUBCHAPTER D. ADDITIONAL ROAD POWERS

Sec. 8142.151. ROAD PROJECTS. (a) Authorizes the district, as authorized by Section 52, Article III, Texas Constitution, to construct, acquire, improve, maintain, or operate, inside and outside the district, roads and road facilities as defined by Chapter 441 (Road Utility Districts), Transportation Code.

(b) Authorizes the roads and road facilities authorized by Subsection (a) to include drainage, landscaping, pedestrian improvements, lights, signs, or signals that are incidental to the roads and their construction, maintenance, or operation.

(c) Requires the roads and road facilities authorized by this section to meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of the City of Rosenberg (city) or Fort Bend County (county) in whose jurisdiction the road or road facility is located.

(d) Authorizes the district, on completion of a road or road facility authorized by this section, with the consent of the city or county, to convey the road or road facility to the city or county if the conveyance is free of all indebtedness of the district. Provides that if the city or county becomes the owner of a road or road facility, the city or county is responsible for all future maintenance and upkeep and the district has no further responsibility for the road or road facility or its maintenance or upkeep, unless otherwise agreed to by the district and the city or county.

Sec. 8142.152. JOINT ROAD PROJECTS. (a) Authorizes the district to contract with a state agency, political subdivision, or corporation created under Chapter 431 (Texas Transportation Corporation Act), Transportation Code, for a joint road project.

(b) Authorizes the contract to serve certain functions.

(c) Authorizes a contract to be a contract under Section 49.108 (Contract Elections), Water Code.

Sec. 8142.153. REIMBURSEMENT FOR ROAD PROJECT. (a) Authorizes the district to reimburse private persons for certain services or purchase certain facilities constructed by private persons.

(b) Authorizes the amount paid for the reimbursement or for the purchase of a road or road facility under Subsection (a) to include certain costs and be at a certain price.

(c) Authorizes the reimbursement or purchase of a road or road facility to be paid for with proceeds from the sale of the district's bonds or from any other money available to the district.

(d) Authorizes the district to enter into an agreement to use the proceeds of a subsequent bond sale to reimburse a private person under this section. Authorizes the agreement to provide the terms and conditions under which the road or road facility is to be dedicated or transferred for the benefit of the public.

[Reserves Sections 8142.154-8142.200 for expansion.]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8142.201. ELECTIONS REGARDING TAXES OR BONDS. (a) Authorizes the district to issue, without an election, bonds and other obligations secured by revenue or contract payments from any lawful source other than ad valorem taxation.

(b) Requires the district to hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district is authorized to impose a maintenance tax or issue bonds payable from ad valorem taxes.

(c) Authorizes the board to include more than one purpose in a single proposition at an election.

(d) Authorizes the district to issue bonds or other obligations to finance road projects under Section 52(b)(3), Article III, Texas Constitution, secured wholly or partly by ad valorem taxation, impose ad valorem taxes to pay the principal of and interest on the obligations, and provide a sinking fund for the redemption of the obligations only if the issuance is approved by a two-thirds majority of the voters of the district voting at an election called and held for that purpose. Prohibits the

total amount of bonds issued under this subsection from exceeding one-fourth of the assessed market value of real property of the district as determined by the chief appraiser of the appraisal district that appraises property for the district.

Sec. 8142.202. AD VALOREM TAX. (a) Authorizes the district, if authorized at an election held under Section 8142.201, to impose an annual ad valorem tax on taxable property in the district for the provision of services or for the maintenance and operation of the district, including the improvements constructed or acquired by the district.

(b) Requires the board to determine the tax rate. Prohibits the rate from exceeding the rate approved at the election.

[Reserves Sections 8142.203-8142.250 for expansion.]

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8142.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

(b) Authorizes the district, in exercising the district's borrowing power, to issue a bond or other obligation in the form of a bond, note, certificate of participation, or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Sec. 8142.252. TAXES FOR BONDS AND OTHER OBLIGATIONS. Requires the district and the board to take certain actions relating to ad valorem taxes at the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued

Sec. 8142.253. BONDS FOR CONTRACT COSTS. Authorizes the district, if the district enters into a contract under Section 8142.152, to issue bonds to pay all or part of the costs of the joint road project and any other payments required under the contract.

Sec. 8142.254. AUTHORITY OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY OVER ISSUANCE OF DISTRICT BONDS. (a) Provides that Sections 49.181 (Authority of Commission Over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, apply to all water, wastewater, drainage, and recreational facility projects of the district and bonds issued for those purposes.

(b) Provides that Section 49.181, Water Code, applies to all road and road facility projects and bonds issued for those purposes, but the review of the Texas Commission on Environmental Quality (TCEQ) of the projects is limited to the financial feasibility of the projects and bonds, and does not include the review or approval of the design and construction of the projects or the engineering feasibility of the projects. Requires TCEQ to adjust the requirements of written applications for investigation of feasibility in accordance with this subsection.

(c) Provides that Section 49.182, Water Code, does not apply to road and road facility projects or bonds issued for those purposes.

(d) Provides that projects and bonds of the district are not subject to the review and approval of the Texas Transportation Commission or the rules adopted by the Texas Transportation Commission.

Sec. 8142.255. APPLICABILITY OF OTHER BOND LAW. Provides that Chapter 1471 (Bonds for County Roads), Government Code, does not apply to the district.

SECTION 2. Sets forth the territory initially included 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: upon passage or September 1, 2005.