

## **BILL ANALYSIS**

Senate Research Center

S.B. 2053  
By: Bettencourt  
Intergovernmental Relations  
6/5/2015  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill grants an existing but inactive municipal utility district (MUD) general road powers so that it has the same powers as other competing MUDs.

S.B. 2053 amends current law relating to the powers and duties of the Pine Forest Municipal Utility District and provides authority to issue bonds and impose a tax.

### **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 Chapter 427, Acts of the 62nd Legislature, Regular Session, 1971, by amending Sections 1 and 5 and adding Sections 1-a, 5-a, 5-b, 5-c, 5-d, 10, and 11, as follows:

Sec. 1. DEFINITIONS. Defines "board" and "district."

Sec. 1-a. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the Pine Forest Municipal Utility District (district) is a municipal utility district in Harris County created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution, and Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Deletes existing text providing that, notwithstanding provisions of the general laws relating to consent by political subdivisions for the creation of conservation and reclamation districts, there is hereby created and established under and pursuant to the provisions of Article XVI, Section 59 of the Constitution of Texas, a conservation and reclamation district in Harris County, Texas, to be known as "Pine Forest Municipal Utility District," hereinafter called the "district," which is required to be a governmental agency and a body politic and corporate. Deletes existing text providing that the creation and establishment of the district is hereby declared to be essential to the accomplishment of the purposes of Article XVI, Section 59 of the Constitution of Texas.

Sec. 5. 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. 5-a. 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.

Deletes existing text providing that the district is hereby vested with, and shall have and exercise, all of the rights, powers, privileges, authority and functions conferred by the general laws of this state applicable to municipal utility districts, including without limitation those conferred by Chapter 54, Title 4 (General Law Districts), Water Code, but if any provision of such general laws shall be in conflict or inconsistent with the provisions of this Act, the provisions of this Act shall prevail. Deletes existing text providing that all such general laws applicable to municipal utility districts not in conflict or inconsistent with the provisions of this Act are hereby adopted and incorporated by reference with the same effect as if copied in full in this Act.

Sec. 5-b. AUTHORITY FOR ROAD PROJECTS. Authorizes the district under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, Texas Constitution, to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 5-c. ROAD STANDARDS AND REQUIREMENTS. (a) Requires that a road project meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires that, if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality the road project meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) Requires the Texas Transportation Commission to approve the plans and specifications of the road project, if the state will maintain and operate the road.

Sec. 5-d. APPROVAL OF ROAD PROJECT. (a) Prohibits the district from undertaking a road project authorized by Section 5-b of this Act unless each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road, or the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Provides that, except as provided by Subsection (a) of this section, the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 10. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 5-b.

(b) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Prohibits, at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad

valorem taxes from exceeding one-fourth of the assessed value of the real property in the district.

Sec. 11. TAXES FOR BONDS. Requires the district's board of directors to, at the time the district issues bonds payable wholly or partly from ad valorem taxes, provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding.

SECTION 2. Repealers: Sections 6 (relating to the selection of the board of directors), 7 (relating to the legal notice for this Act being performed and accomplished), 8 (relating to circumstances wherein parts of this Act are found invalid or unconstitutional), and 9 (emergency clause and effective date), Chapter 427, Acts of the 62nd Legislature, Regular Session, 1971.

SECTION 3. Provides that the Pine Forest Municipal Utility District retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 4. Provides that all requirements of the constitution and the 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 5. Effective date: upon passage or September 1, 2015.