

## **BILL ANALYSIS**

Senate Research Center  
85R14705 AAF-F

S.B. 2277  
By: Creighton  
Intergovernmental Relations  
4/28/2017  
As Filed

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

S.B. 2277 amends the Special District Local Laws Code to create Lakewood Municipal Utility District No. 3 (district). The district will encompass approximately 3,327.75 acres located east of Lake Houston and partially within the corporate limits of the City of Houston and partially within the extraterritorial jurisdiction of the City of Houston.

S.B. 2277 creates the district and gives it the power to finance the construction of water, sewer and drainage facilities, and roads. The district overlays the property to be contained within Lakewood MUDs 1 and 2 to provide a regional water and/or wastewater facility to serve the entire acreage.

S.B. 2277 conforms to the agreed template for the creation of municipal utility districts adopted by the Texas Legislature.

As proposed, S.B. 2277 amends current law relating to the creation of the Lakewood Municipal Utility District No. 3; grants a limited power of eminent domain; provides authority to issue bonds; and provides authority to impose assessments, fees, and taxes.

### **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 8005, as follows:

#### CHAPTER 8005. LAKEWOOD MUNICIPAL UTILITY DISTRICT NO. 3

Sets forth standard language for the creation of the Lakewood Municipal Utility District No. 3 (district). Sets forth definitions, standards, procedures, requirements, and criteria for:

Creation, approval, purpose, initial district territory, confirmation and directors' election (Sections 8005.001-8005.050);

Size, composition, terms, and appointment of board of directors, including provisions for initial temporary directors (Sections 8005.051-8005.100);

Powers and duties of the district (Sections 8005.101-8005.150);

General financial provisions and authority to impose taxes and to issue bonds and obligations for the district (Sections 8005.151-8005.203).

Prohibits the district from exercising the power of eminent domain outside the district to acquire a site or easement for a road project under Section 8005.103 or a recreational facility as defined by Section 49.462 (Definitions), Water Code.

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. 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 4. (a) Provides that Section 8005.107, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8005, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8005.107, as follows:

Sec. 8005.107. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (relating to the legislature's authority to enact certain laws granting the power of eminent domain to an entity on a certain vote), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2017.