

BILL ANALYSIS

Senate Research Center
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H.B. 4656
By: Thompson, Ed (Taylor)
Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There have been calls to codify and amend the powers and duties of the Brazoria County Municipal Utility District No. 13 (district) to help the district better serve the local community.

H.B. 4656 seeks to achieve this goal.

H.B. 4656 amends the Special District Local Laws Code to establish provisions relating to the district and the district's board of directors. The bill grants the district the power to undertake certain road projects. The bill authorizes the district, subject to certain requirements, to issue bonds and other obligations for road projects and impose property taxes. The bill establishes that the district retains all rights, powers, privileges, authorities, duties, and functions that it had before the bill's effective date. The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

H.B. 4656 amends current law relating to the board of directors and powers and duties of the Brazoria County Municipal Utility District No. 13, provides authority to issue bonds, and provides authority to 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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8029, as follows:

CHAPTER 8029. BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 13

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8029.0101. DEFINITIONS. Defines "board" to mean the district's board of directors, "commission" to mean the Texas Commission on Environmental Quality (TCEQ), and "district" to mean the Brazoria County Municipal Utility District No. 13 (district) for purposes of this chapter.

Sec. 8029.0102. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of:

- (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
- (2) Section 52, 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.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8029.0201. GOVERNING BODY; TERMS. (a) Provides that the district is governed by a board of five elected directors.

(b) Provides that, except as provided by Section 8029.0202, directors serve staggered four-year terms.

Sec. 8029.0202. TEMPORARY DIRECTORS. (a) Sets forth the temporary board.

(b) Provides that temporary directors serve until the earlier of:

(1) the date permanent directors are elected at an election held under Section 49.102, Water Code; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) Requires successor temporary directors, if permanent directors have not been elected at an election held under Section 49.102, Water Code, and the terms of the temporary directors have expired, to be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected at an election held under Section 49.102, Water Code; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) Authorizes the owner or owners of a majority of the assessed value of the real property in the district, if Subsection (c) applies, to submit a petition to TCEQ requesting that TCEQ appoint as successor temporary directors the five persons named in the petition. Requires TCEQ to appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8029.0301. 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. 8029.0302. 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 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8029.0303. AUTHORITY FOR ROAD PROJECTS. Authorizes the district, under Section 52, 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. 8029.0304. ROAD STANDARDS AND REQUIREMENTS. (a) Requires a road project to 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 the road project, if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to 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, if the state will maintain and operate the road, to approve the plans and specifications of the road project.

SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

Sec. 8029.0401. **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, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8029.0303.

(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 the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the district.

Sec. 8029.0402. **TAXES FOR BONDS.** Requires the board, at the time the district issues bonds payable wholly or partly from ad valorem taxes, to 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 as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

SECTION 2. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 4. 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 5. Effective date: upon passage or September 1, 2019.