

BILL ANALYSIS

Senate Research Center
88R25306 LRM-F

H.B. 5397
By: Wilson (Schwertner)
Local Government
5/17/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The 3 B&J Municipal Utility District (district), located in unincorporated Williamson County, is currently authorized to provide certain services to land located within district boundaries. There is a need to update the district's enabling legislation to revise property tax provisions, repeal certain provisions that are no longer applicable, and change the district's name. H.B. 5397 makes these updates, including changing the district's name to the Williamson County Municipal Utility District No. 51.

H.B. 5397 amends current law relating to the name, powers, and duties of the 3 B&J Municipal Utility 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 the heading to Chapter 8221, Special District Local Laws Code, to read as follows:

CHAPTER 8221. WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 51

SECTION 2. Amends Section 8221.001(3), Special District Local Laws Code, to redefine "district."

SECTION 3. Amends Section 8221.202, Special District Local Laws Code, as follows:

Sec. 8221.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. Requires the board of directors of the Williamson County Municipal Utility District No. 51 (board) to provide for the annual imposition of a continuing direct annual ad valorem tax, without limit to the rate or amount of the tax while all or part of the bonds are outstanding as provided by Sections 54.601 (Tax for Levy Bonds) and 54.602 (Establishment of Tax Rate in Each Year), Water Code, at the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued.

Deletes existing text requiring the board to impose a continuing direct annual ad valorem tax, at a rate not to exceed the rate approved at an election held under Section 8221.151 (Elections Regarding Taxes or Bonds), for each year that all or part of the bonds are outstanding; and requiring the district to annually impose an ad valorem tax on all taxable property in the district in an amount sufficient to pay the interest on the bonds or other obligations as the interest becomes due, create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date, and pay the expense of imposing the taxes.

SECTION 4. Repealers: Sections 8221.003(b) (relating to providing that if the creation of the district is not confirmed at a confirmation election before September 1, 2011, the district is

dissolved September 1, 2011, and Chapter 8221 expires September 1, 2014) and 8221.105 (Wastewater Treatment Facility Design Approval), Special District Local Laws Code.

Repealers: Sections 8221.006 (Wastewater Service Providers) and 8221.107 (Compliance With February 2005 Agreement), Special District Local Laws Code.

Repealer: Section 8221.008 (Street Repair and Maintenance), Special District Local Laws Code.

SECTION 5. 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 6. (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 the legislature validates and confirms all governmental acts and proceedings relating to the creation and the consent to the creation of the Williamson County Municipal Utility District No. 51.

(c) 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 7. 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 8. Effective date: upon passage or September 1, 2023.