

BILL ANALYSIS

Senate Research Center
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S.B. 2624
By: Springer
Local Government
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Continuing development and growth in Central Texas has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and roadway improvements. Article XVI (General Provisions), Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), and Article III (Legislature Department), Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), of the Texas Constitution provide for the creation of local governmental districts which are authorized to incur indebtedness to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

The 87th Texas Legislature created several municipal utility districts that were not granted the limited eminent domain powers due to not receiving sufficient votes in the house of representatives on concurrence. The belief is that it was not the house's intent to prevent this power of limited eminent domain.

S.B. 2624 corrects this for four municipal utility districts by granting them the normal power of limited eminent domain and provides the Wildwood Municipal Utility District the power to divide.

As proposed, S.B. 2624 amends current law relating to the Mustang Ridge Municipal Utility District, the Wildwood Municipal Utility District, the Creedmoor Municipal Utility District, and the Williamson County Municipal Utility District No. 40 and grants limited powers of eminent domain.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

ARTICLE 1. DIVISION OF DISTRICT

SECTION 1.01. Amends Subchapter C, Chapter 7946A, Special District Local Laws Code, by adding Section 7946A.0307, as follows:

Sec. 7946A.0307. DIVISION OF DISTRICT. (a) Authorizes the Wildwood Municipal Utility District (district) to be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) Provides that Chapter 7946A (Wildwood Municipal Utility District) applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits any new district created by the division of the district, at the time the new district is created, from containing any land outside the area described by Section 2 of the Act enacting this chapter.

(d) Authorizes the board of directors of the district (board), on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Authorizes the board to adopt an order dividing the district before or after the date the board holds an election under Section 7946A.0103 (Confirmation and Director Election Required) to confirm the district's creation.

(f) Requires that an order dividing the district:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with the Texas Commission on Environmental Quality (TCEQ) and record the order in the real property records of each county in which the district is located.

(h) Requires any new district created by the division of the district to hold a confirmation and directors' election as required by Section 7946A.0103. Provides that the assets, obligations, territory, and governance of the new district, if the voters of a new district do not confirm the creation of the new district, revert to the original district.

(i) Requires the new district, if the creation of the new district is confirmed, to provide the election date and results to TCEQ.

(j) Provides that municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 7946A.0104 (Consent of Municipality Required) acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

(k) Requires any new district created by the division of the district to hold an election as required by this chapter to obtain voter approval before the new district is authorized to impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

ARTICLE 2. REPEALER

SECTION 2.01. Repealers: Sections 7945A.0306 (No Eminent Domain Power) and 7946A.0306 (No Eminent Domain Power), Special District Local Laws Code.

Repealers: Sections 7951A.0306 (No Eminent Domain Power) and 8141.0307 (No Eminent Domain Power), Special District Local Laws Code

ARTICLE 3. TRANSITION AND EFFECTIVE DATE

SECTION 3.01. Provides that Article 2 of this Act does not take effect if this Act does not receive a two-thirds vote of all the members elected to each house.

SECTION 3.02. Effective date: upon passage or September 1, 2023.