

## **BILL ANALYSIS**

Senate Research Center  
88R26879 LRM-F

S.B. 2629  
By: Creighton  
Local Government  
5/11/2023  
As Filed

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

The Roman Forest Public Utility District No. 4 (district) is a conservation and reclamation district in Montgomery County, Texas. The district was created by the Texas Legislature in 1971.

S.B. 2629 amends the Special District Local Laws Code to establish provisions relating to the road powers of the Roman Forest Public Utility District No. 4. The bill grants the district the power to undertake certain road projects and authorizes the district, subject to certain voter approval requirements, to issue obligations and assess a property tax for that specific purpose.

The bill provides for the validation and confirmation of certain district actions and proceedings taken before the bill's effective date.

As proposed, S.B. 2629 amends current law relating to the authority of the Roman Forest Public Utility District No. 4 for road projects and provides authority to issue bonds.

### **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 Section 8405.003(c), Special District Local Laws Code, as follows:

(c) Provides that the creation of the district is essential to accomplish the purposes of:

(1) creates this subdivision from existing text and makes nonsubstantive changes; and

(2) Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), Article III (Legislative Department), 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.

SECTION 2. Amends Subchapter C, Chapter 8405, Special District Local Laws Code, by adding Sections 8405.102 and 8405.103, as follows:

Sec. 8405.102. **AUTHORITY FOR ROAD PROJECTS.** Authorizes the Roman Forest Public Utility District No. 4 (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. 8405.103. 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 a road project meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located, if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality.

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

SECTION 3. Amends Chapter 8405, Special District Local Laws Code, by adding Subchapter D, as follows:

#### SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

Sec. 8405.201. 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 8405.102.

(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.

Sec. 8405.202. TAXES FOR BONDS. Requires the district's board of directors, 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 (Tax Levy for Bonds) and 54.602 (Establishment of Tax Rate in Each Year), Water Code.

Sec. 8405.203. BONDS FOR ROAD PROJECTS. Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes from exceeding, at the time of issuance, one-fourth of the assessed value of the real property in the district.

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, 2023.