

By: Metcalf

H.B. No. 4370

A BILL TO BE ENTITLED

AN ACT

relating to the projects that may be undertaken by a public improvement district, municipal utility district, fresh water supply district, water control and improvement district or municipal management district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 372.003, Local Government Code, is amended by amending Subsection (b) and adding Subsection (b-2) to read as follows:

(b) A public improvement project may include:

- (1) landscaping;
- (2) erection of fountains, distinctive lighting, and signs;
- (3) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of-way;
- (4) construction or improvement of pedestrian malls;
- (5) acquisition and installation of pieces of art;
- (6) acquisition, construction, or improvement of libraries;
- (7) acquisition, construction, or improvement of off-street parking facilities;
- (8) acquisition, construction, improvement, or rerouting of mass transportation facilities;

(9) acquisition, construction, or improvement of water, geothermal water conveyance, wastewater, or drainage facilities or improvements;

(10) the establishment or improvement of parks;

(11) projects similar to those listed in Subdivisions (1)-(10);

(12) acquisition, by purchase or otherwise, of real property, including a right-of-way or easement, in connection with an authorized improvement;

(13) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and cultural enhancement;

(14) payment of expenses incurred in the establishment, administration, and operation of the district; and

(15) the development, rehabilitation, or expansion of affordable housing.

(b-2) Payment of expenses under Subsection (b)(9) may also include expenses related to the operation and maintenance of a geothermal water conveyance facility or improvement.

SECTION 2. Section 372.023(a), Local Government Code, is amended to read as follows:

(a) Costs of improvements may be paid or reimbursed by any combination of the methods described by this section if the improvements are dedicated, conveyed, leased, or otherwise provided to or for the benefit of:

1 (1) a municipality or county;

2 (2) a political subdivision or other entity exercising
3 the powers granted under this subchapter as authorized by other
4 law; ~~[or]~~

5 (3) an entity that:

6 (A) is approved by the governing body of an
7 entity described by Subdivision (1) or (2); and

8 (B) is authorized by order, ordinance,
9 resolution, or other official action to act for an entity described
10 by Subdivision (1) or (2); or

11 (4) an entity subject to the regulatory jurisdiction
12 of the Public Utility Commission of Texas.

13 SECTION 3. Section 375.112(a), Local Government Code, is
14 amended to read as follows:

15 Sec. 375.112. SPECIFIC POWERS RELATING TO ASSESSMENTS. (a)
16 An improvement project or services provided by the district may
17 include the construction, acquisition, improvement, relocation,
18 operation, maintenance, or provision of:

19 (1) landscaping; lighting, banners, and signs;
20 streets and sidewalks; pedestrian skywalks, crosswalks, and
21 tunnels; seawalls; marinas; drainage and navigation improvements;
22 pedestrian malls; solid waste, water, sewer, and power facilities,
23 including electrical, gas, steam, cogeneration, chilled water
24 facilities and geothermal water conveyance facilities or
25 improvements; parks, plazas, lakes, rivers, bayous, ponds, and
26 recreation and scenic areas; historic areas; fountains; works of
27 art; off-street parking facilities, bus terminals, heliports, and

1 mass transit systems; theatres, studios, exhibition halls,
2 production facilities and ancillary facilities in support of the
3 foregoing; and the cost of any demolition in connection with
4 providing any of the improvement projects;

5 (2) other improvements similar to those described in
6 Subdivision (1);

7 (3) the acquisition of real property or any interest
8 in real property in connection with an improvement, project, or
9 services authorized by this chapter, Chapter 54, Water Code, or
10 Chapter 365 or 441, Transportation Code;

11 (4) special supplemental services for advertising,
12 economic development, promoting the area in the district, health
13 and sanitation, public safety, maintenance, security, business
14 recruitment, development, elimination or relief of traffic
15 congestion, recreation, and cultural enhancement; and

16 (5) expenses incurred in the establishment,
17 administration, maintenance, and operation of the district or any
18 of its improvements, projects, or services.

19 SECTION 4. Section 375.093(c), Local Government Code, is
20 amended to read as follows:

21 (c) If a district, in exercising any of the powers conferred
22 by this chapter, requires the relocation, adjustment, raising,
23 lowering, rerouting, or changing the grade of or altering the
24 construction of any street, alley, highway, overpass, underpass, or
25 road, any railroad track, bridge, or other facilities or property,
26 any electric lines, conduits, or other facilities or property, any
27 geothermal water conveyance facilities or property, any telephone

1 or telegraph lines, conduits, or other facilities or property, any
2 gas transmission or distribution pipes, pipelines, mains, or other
3 facilities or property, any water, sanitary sewer or storm sewer
4 pipes, pipelines, mains, or other facilities, or property, any
5 cable television lines, cables, conduits, or other facilities or
6 property, or any other pipelines and any facilities or properties
7 relating to those pipelines, those relocations, adjustments,
8 raising, lowering, rerouting, or changing of grade, or altering of
9 construction must be accomplished at the sole cost and expense of
10 the district, and damages that are suffered by the owners of the
11 property or facilities shall be borne by the district.

12 SECTION 5. Section 54.012, Water Code, is amended to read as
13 follows:

14 Sec. 54.012. PURPOSES OF A DISTRICT. A district shall be
15 created for the following purposes:

16 (1) the control, storage, preservation, and
17 distribution of its storm water and floodwater, the water of its
18 rivers and streams for irrigation, power, and all other useful
19 purposes;

20 (2) the reclamation and irrigation of its arid,
21 semiarid, and other land needing irrigation;

22 (3) the reclamation and drainage of its overflowed
23 land and other land needing drainage;

24 (4) the conservation and development of its forests,
25 water, and hydroelectric power;

26 (5) the navigation of its inland and coastal water;

27 (6) the control, abatement, and change of any shortage

1 or harmful excess of water;

2 (7) the protection, preservation, and restoration of
3 the purity and sanitary condition of water within the state; and

4 (8) the preservation of all natural resources of the
5 state, including the use of geothermal water conveyance systems for
6 the conservation of natural resources.

7 SECTION 6. Section 54.501, Water Code, is amended to read as
8 follows:

9 Sec. 54.501. ISSUANCE OF BONDS. The district may issue its
10 bonds for any purpose authorized by this chapter, Chapter 49, or
11 other applicable laws, including the purpose of purchasing,
12 constructing, acquiring, owning, operating, repairing, improving,
13 or extending any district works, improvements, facilities, plants,
14 equipment, and appliances needed to accomplish the purposes set
15 forth in Section 54.012 for which a district shall be created,
16 including works, improvements, facilities, plants, equipment, and
17 appliances needed to provide a waterworks system, sanitary sewer
18 system, storm sewer system, geothermal water conveyance system and
19 solid waste disposal system.

20 SECTION 7. Section 53.123, Water Code, is added to read as
21 follows:

22 Sec. 53.123. CONSTRUCTING GEOTHERMAL WATER CONVEYANCE
23 SYSTEMS. (a) A district may purchase, construct, acquire, own,
24 operate, repair, improve, and extend geothermal water conveyance
25 systems to areas within the district and finance such systems with
26 the proceeds of bonds issued pursuant to Subchapter F of this
27 section and secured by ad valorem taxes or other revenues or a

1 combination thereof.

2 (b) Before a district may exercise the power given by this
3 section, it must hold an election in the same manner as provided in
4 this chapter for other elections of the district.

5 SECTION 8. Section [51.121](#), Water Code, is amended to read as
6 follows:

7 Sec. 51.121. PURPOSES OF DISTRICT. (a) A water control and
8 improvement district organized under the provisions of Article III,
9 Section [52](#), of the Texas Constitution, may provide for:

10 (1) the improvement of rivers, creeks, and streams to
11 prevent overflows, to permit navigation or irrigation, or to aid in
12 these purposes; or

13 (2) the construction and maintenance of pools, lakes,
14 reservoirs, dams, canals, and waterways for irrigation, drainage,
15 or navigation, or to aid these purposes.

16 (b) A water control and improvement district organized
17 under the provisions of Article XVI, Section [59](#), of the Texas
18 Constitution, may provide for:

19 (1) the control, storage, preservation, and
20 distribution of its water and floodwater and the water of its rivers
21 and streams for irrigation, power, and all other useful purposes;

22 (2) the reclamation and irrigation of its arid,
23 semiarid, and other land which needs irrigation;

24 (3) the reclamation, drainage, conservation, and
25 development of its forests, water, and hydroelectric power;

26 (4) the navigation of its coastal and inland water;

27 (5) the control, abatement, and change of any shortage

1 or harmful excess of water;

2 (6) the protection, preservation, and restoration of
3 the purity and sanitary condition of water within the state; and

4 (7) the preservation and conservation of all natural
5 resources of the state, including the use of geothermal water
6 conveyance systems for the conservation of natural resources

7 SECTION 9. This Act takes effect September 1, 2025.