

BILL ANALYSIS

Senate Research Center
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S.B. 1872
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Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Fort Bend Municipal Utility District No. 134 (district) encompasses an area of land within the extraterritorial jurisdiction of the City of Houston. The land located within the district is proposed for single-family residential and commercial development; therefore, road services need to be secured. It is necessary to empower the district to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds. As proposed, S.B. 1872 provides regulations regarding the district having road powers.

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 Chapter 1342, Acts of the 77th Legislature, Regular Session, 2001, by adding Section 3.015, as follows:

Sec. 3.015. VOTER-APPROVED ROAD DISTRICT POWERS. (a) Requires the Fort Bend Municipal Utility District No. 134 (district) to assume certain rights, authority, privileges, and functions of a road district if a majority of the voters of the district vote in favor of the district's assumption of road district powers in the manner provided by Section 53.029 (Division or Assumption or Authority by Certain Districts), Water Code, at an election held for that purpose.

(b) Authorizes the district to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district if the voters approve road district powers under Subsection (a) of this section.

SECTION 2. Amends Chapter 1342, Acts of the 77th Legislature, Regular Session, 2001, by adding Section 5.015, as follows:

Sec. 5.015. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS; TAX. (a) Authorizes the district, except as provided by Subsections (b) and (c) of this section, to issue bonds or other obligations as provided by Section 53.029, Water Code, to finance, or assist in the financing of, projects under Section 3.015 of this Act.

(b) Prohibits the district from issuing bonds or other obligations under Subsection (a) of this section unless the issuance is approved by a vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred by the district under this section from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 (Authority of Commission over Issuance of District Bonds) and 49.182 (Commission Supervision of Projects and Improvements), Water Code, do not apply to a road project undertaken by the

district under Section 3.015 of this Act or to bonds issued by the district to finance the project.

(e) Authorizes the district to impose an ad valorem tax to pay the principal of or interest on bonds issued under this section.

SECTION 3. Effective date: upon passage or September 1 , 2005.