

## **BILL ANALYSIS**

H.B. 1112  
By: Zerwas  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Fort Bend County Municipal Utility District No. 161 (the “District”) lies within the corporate limits of the City of Katy and in Fort Bend County. Currently, the District provides water, sewer, drainage and recreational facilities to land located within the boundaries of the District.

H.B. 1112 provides the District with limited road powers pursuant to Section 52, Article 3, Texas Constitution.

### **RULEMAKING AUTHORITY**

It is the Committee’s opinion that the bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8338, as follows:

CHAPTER 8338. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 161

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8338.001. DEFINITIONS. Defines “District.”

Sec. 8338.002. NATURE AND PURPOSES OF DISTRICT. Provides that the District is a municipal utility district created under and essential to accomplish the purposes of Section 59, Article XVI, and Section 52, Article III of the Texas Constitution as it relates to Section 54.234, Water Code.

[Sections 8338.003-8338.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8338.051. GENERAL POWERS AND DUTIES. Provides that the District has the powers and duties necessary to accomplish its stated purposes.

Sec. 8338.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the District has the powers and duties of a municipal utility district, as provided by general law, including Chapters 49 and 54, Water Code.

Sec. 8338.053. AUTHORITY FOR ROAD PROJECTS. Authorizes the District to design, acquire, construct, finance, issue bonds for, improve and convey to the state, county or municipality for operation and maintenance road projects described in Section 54.234, Water Code, or improvements in aid thereof. Clarifies that additional approval from the Texas Commission on Environmental Quality is not required for the District to exercise these powers.

Sec. 8338.054. APPROVAL OF ROAD PROJECT. Requires the District to obtain approval of plans and specifications for a road project from the state, county or municipality if the road project will be operated and maintained by the state, county or municipality. Clarifies that

additional approval is not required by the Texas Transportation Commission, except as otherwise required by the state for road projects to be operated and maintained by the state.

[Sections 8338.055-8338.100 reserved for expansion]

#### SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8338.101. **AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS.** Authorizes the District to issue bonds, notes, or other obligations to pay for road projects. Requires a two-thirds approval by voters of the District prior to the District's issuance of bonds for road projects. Limits the issuance of bonds used to finance road projects to one-fourth of the assessed value of real property in the District.

Sec. 8338.102. **TAXES FOR BONDS.** Upon the issuance of bonds payable wholly or partly from ad valorem taxes, requires the District to impose an ad valorem tax while all or part of the bonds are outstanding.

**SECTION 2.** Provides that the District retains all the rights, powers, privileges, authority, duties and functions it had prior to the effective date of the Act.

**SECTION 3.** Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction, and passage of this Act.

**SECTION 4. EFFECTIVE DATE.** Provides the effective date of this Act.

#### **EFFECTIVE DATE**

This Act take effect immediately if it receives a vote of two-thirds or all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, the effective date is September 1, 2009.