

## **BILL ANALYSIS**

S.B. 749  
By: Hegar  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Fort Bend County Municipal Utility District No. 163 (district) encompasses an area of land outside of the corporate limits of any city and within the extraterritorial jurisdiction of the City of Houston and the unincorporated area of Fort Bend County, Texas. The land located within the district is single-family residential and commercial development; therefore, road services need to be secured. It is necessary to empower the district under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, and Section 52(b)(3) (relating to construction, maintenance and operation of roads), Article III, Texas Constitution, in order to purchase, acquire, or construct facilities for such roads to serve the future occupants of the land utilizing tax exempt bonds.

S.B. 749 relates to the powers and duties of the Fort Bend County Municipal Utility District No. 163; provides authority to impose a tax and issue bonds; and grants a limited power of eminent domain.

### **RULEMAKING AUTHORITY**

It is the Committee's opinion that this bill does not expressly grant 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 8339, as follows:

#### CHAPTER 8339. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 163

##### SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8339.001. DEFINITION. Defines "district."

Sec. 8339.002. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the Fort Bend County Municipal Utility District No. 163 (district) is a municipal utility district created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

(b) Provides that the district is essential to accomplish the purposes of Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234 (Acquiring Road Powers), Water Code, or improvements, including storm drainage, in aid of those roads.

[Reserves Sections 8339.003-8339.050 for expansion.]

##### SUBCHAPTER B. POWERS AND DUTIES

Sec. 8339.051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes described by Section 8339.002.

Sec. 8339.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8339.053. AUTHORITY FOR ROAD PROJECTS. (a) Authorizes the district, under Section 52, Article III, Texas Constitution, to design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved, roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b) Authorizes the district to exercise the powers provided by this section without submitting a petition to or obtaining approval from the Texas Commission on Environmental Quality as required by Section 54.234, Water Code.

Sec. 8339.054. APPROVAL OF ROAD PROJECT. (a) Prohibits the district from undertaking a road project authorized by Section 8339.053 unless the district receives approval from:

(1) each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2) the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b) Provides that this district, except as provided by Subsection (a), is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 8339.055. LIMITATION ON USE OF EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain outside the district to acquire a site or easement for a road project authorized by Section 8339.053.

[Reserves Sections 8339.056-8339.100 for expansion.]

#### SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8339.101. 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 8339.053.

(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 at an election held for that purpose.

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

Sec. 8339.102. TAXES FOR BONDS. Requires the district, 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.

SECTION 2. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. 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 4. Provides the effective date of this Act.

**EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all the 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, this Act takes effect September 1, 2009.