

BILL ANALYSIS

C.S.S.B. 860
By: Hegar
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, the land located within the boundaries of the proposed Fort Bend-Waller Counties Municipal Utility District No. 2 is undeveloped. The territory of the proposed district lies partially in the corporate limits of the City of Katy and partially in the extraterritorial jurisdiction of the City of Houston. The proposed district would also be partially located within both Fort Bend and Waller Counties, Texas.

C.S.S.B. 860 creates the Fort Bend-Waller Counties Municipal Utility District No. 2, grants the district all of the powers granted to a municipal utility district, and grants the district certain road powers.

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

C.S.S.B. 860 amends the Special District Local Laws Code to set forth standard language for the creation of the Fort Bend-Waller Counties Municipal Utility District No. 2. The bill sets forth general provisions for: the nature of the district, the confirmation of the district and election of the board of directors, municipal consent, the district's public purpose and benefit, and initial district territory; the number of members and terms of the board of directors of the district, including provisions for temporary directors; and the powers and duties of the district, including the power to undertake certain road projects, the standards and requirements for such projects, required compliance with municipal ordinance and resolutions, and the limited use of eminent domain.

C.S.S.B. 860 sets forth general financial provisions authorizing a district, subject to the approval of district voters with limited exception, to issue bonds and other obligations, impose a property tax for operations and maintenance, and impose contract taxes. The bill requires the board, on bonds payable wholly or partly from property taxes, to provide for the annual imposition of a continuing direct property tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required. The bill requires the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from property taxes to not exceed one-fourth of the assessed value of the real property in the district at the time of issuance. The bill sets forth in detail the initial boundaries of the district. The bill defines the terms "board," "director," and "district."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.S.B. 860 differs from the original by naming the temporary board of directors, whereas the original authorizes the owner or owners of a majority of the assessed value of the real property in the district to submit a petition to the Texas Commission on Environmental Quality (TCEQ) requesting that TCEQ appoint as temporary directors the five persons named in the petition and requires TCEQ to appoint as temporary directors the five persons named in the petition.