

BILL ANALYSIS

Senate Research Center
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S.B. 930
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Sienna Plantation Municipal Utility District No. 5 (district) was created by the Texas Commission on Environmental Quality and operates under Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code.

As proposed, S.B. 930 grants road powers, including the authority to construct and finance roads, under Section (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to the district. The bill provides the authority to impose a tax and issue bonds.

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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8321, as follows:

CHAPTER 8321. SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8321.001. DEFINITION. Defines "district."

Sec. 8321.002. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the Sienna Plantation Municipal Utility District No. 5 (district) is a municipal utility district (MUD) 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 (General Provisions), 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 (Legislative Department), Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

[Reserves Sections 8321.003-8321.050 for expansion.]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8321.051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes described by Section 8321.002.

Sec. 8321.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that this district has the powers and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility

Districts), Water Code, applicable to MUDs created under Section 59, Article XVI, Texas Constitution.

Sec. 8321.053. **AUTHORITY FOR ROAD PROJECTS.** Authorizes the district, under Section 52, Article III, Texas Constitution, to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8321.054. **ROAD STANDARDS AND REQUIREMENTS.** (a) Requires that a road project meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires that the road project, if it is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) Requires the Texas Transportation Commission (TTC), if the state will maintain and operate the road, to approve the plans and specifications of the road project.

(d) Provides that except as provided by Subsection (c), the district is not required to obtain approval from TTC to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, or convey a road project.

[Reserves Sections 8321.055-8321.100 for expansion.]

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8321.101. **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 8321.053.

(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 two-thirds majority of the district voters voting 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 from exceeding one-fourth of the assessed value of the real property in the district at the time of issuance.

Sec. 8321.102. **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 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. Effective date: upon passage or September 1, 2009.