

BILL ANALYSIS

C.S.H.B. 1260
By: Creighton
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that certain land within the corporate limits of the City of Conroe is proposed to be developed into single family residential homes and that water, sewer, drainage, and road services need to be secured for such development. C.S.H.B. 1260 seeks to address this need by providing for the creation of the Montgomery County Municipal Utility District No. 132.

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.H.B. 1260 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 132, subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects. The bill provides for district eligibility for inclusion in a tax increment reinvestment zone and for the effect of annexation or inclusion of the district within the corporate boundaries of the City of Conroe. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property and operation and maintenance taxes. The bill prohibits the district from exercising the power of eminent domain outside the district without the written consent of the City of Conroe. The bill, if it does not receive such a vote, prohibits the district from exercising the power of eminent domain.

EFFECTIVE DATE

Except as otherwise provided, on passage, or, if the bill does not receive the necessary vote, September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1260 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8414 to read as follows:
CHAPTER 8414. MONTGOMERY COUNTY MUNICIPAL UTILITY

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CHAPTER 8414. MONTGOMERY COUNTY MUNICIPAL UTILITY

DISTRICT NO. 132
SUBCHAPTER A. GENERAL
PROVISIONS

Sec. 8414.001. DEFINITIONS

Sec. 8414.002. NATURE OF DISTRICT.

Sec. 8414.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 8414.004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. 8414.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

Sec. 8414.006. INITIAL DISTRICT TERRITORY.

Sec. 8414.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8414.051. GOVERNING BODY; TERMS.

Sec. 8414.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) _____ ;
- (2) _____ ;
- (3) _____ ;
- (4) _____ ; and
- (5) _____ .

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8414.003; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8414.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 8414.003; or

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Sec. 8414.004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. 8414.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. Substantially the same as introduced version.

Sec. 8414.006. INITIAL DISTRICT TERRITORY.

Sec. 8414.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8414.051. GOVERNING BODY; TERMS.

Sec. 8414.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Bill Odle _____ ;
- (2) Brandon Macey _____ ;
- (3) Troy Koteras _____ ;
- (4) Greg Snider _____ ; and
- (5) Abby McMahon _____ .

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8414.003; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 8414.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

- (1) the date permanent directors are elected under Section 8414.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8414.101. GENERAL POWERS AND DUTIES.

Sec. 8414.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

No equivalent provision.

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Sec. 8414.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8414.101. GENERAL POWERS AND DUTIES.

Sec. 8414.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 8414.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may 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. 8414.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must 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) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8414.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. 8414.104. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8414.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

No equivalent provision.

Sec. 8414.105. EFFECT OF ANNEXATION OR INCLUSION WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF CONROE.

Sec. 8414.106. EFFECT OF ANNEXATION OR INCLUSION WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF CONROE.

Sec. 8414.106. LIMITATION ON USE OF EMINENT DOMAIN.

Sec. 8414.107. LIMITATION ON USE OF EMINENT DOMAIN.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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Sec. 8414.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes. (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

Sec. 8414.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue other than ad valorem taxes. (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

No equivalent provision.

(c) The district may not issue 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 voting at an election held for that purpose.

Sec. 8414.152. OPERATION AND MAINTENANCE TAX.

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SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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Sec. 8414.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

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Sec. 8414.202. TAXES FOR BONDS.

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No equivalent provision.

Sec. 8414.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other

obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. Establishes initial boundaries for Montgomery County Municipal Utility District No. 132.

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SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

SECTION 3. Same as introduced version.

(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) 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. (a) Section 8414.106, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

SECTION 4. Same as introduced version.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8414, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8414.106 to read as follows:

Sec. 8414.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I,

Texas Constitution.

SECTION 5. Except as provided by Section 4 of this Act:

(1) 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; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

SECTION 5. Same as introduced version.