

BILL ANALYSIS

Senate Research Center
84R6126 GRM-F

H.B. 2401
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Crosswinds Municipal Utility District (MUD) was created during the 83rd Legislature. The Crosswinds MUD is within the City of Kyle's extraterritorial jurisdiction, and the City has consented to this legislation. The MUD's original developer did not request road powers when the MUD was created; however, in 2014, a new developer purchased the project. The continuing development and growth in Central Texas, including in Hays County, has created the need for road projects in the district. H.B. 2401 therefore would grant the Crosswinds MUD the authority for road projects pursuant to Article III, Section 52, Texas Constitution.

H.B. 2401 amends current law relating to the powers of the Crosswinds Municipal Utility District and provides authority to issue bonds for road projects.

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 Section 8468.005(b), Special District Local Laws Code, as follows:

(b) Provides that the Crosswinds Municipal Utility District (district) is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation And Reclamation Districts), Article XVI, Texas Constitution; and

(2) Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, 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.

SECTION 2. Amends Subchapter C, Chapter 8468, Special District Local Laws Code, by adding Sections 8468.104 and 8468.105, as follows:

Sec. 8468.104. **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. 8468.105. **ROAD STANDARDS AND REQUIREMENTS.** (a) Requires a road project to 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 the road project to meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality.

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

SECTION 3. Amends Section 8468.151, Special District Local Laws Code, by adding Subsection (c), to prohibit 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 voting at an election held for that purpose.

SECTION 4. Amends Subchapter E, Chapter 8468, Special District Local Laws Code, by adding Section 8468.203, as follows:

Sec. 8468.203. BONDS FOR ROAD PROJECTS. 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.

SECTION 5. Effective date: upon passage or September 1, 2015.