

BILL ANALYSIS

Senate Research Center

H.B. 2987
By: Fallon (Hughes)
Administration
5/22/2017
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Relating to the powers and duties of the Denton County Municipal Utility Districts Nos. 4 and 5; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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 Chapters 7980 and 7981, as follows:

CHAPTER 7980. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7980.001. DEFINITION. Defines "district" as the Denton County Municipal Utility District No. 4.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7980.051. MUNICIPALITY 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 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, applicable to municipal utility districts created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

Sec. 7980.052. AUTHORITY FOR ROAD PROJECTS. Authorizes the district under Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to improve, operate, or maintain any macadamized, graveled, or paved roads in existence on September 1, 2017, or improvements, including storm drainage, in aid of those roads inside the district.

Sec. 7980.053. 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 a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

Sec. 7980.054. ACCEPTANCE OF ROADS. (a) Authorizes the district by order of the board to accept any road inside the district that has been dedicated by plat or otherwise transferred to the public.

(b) Provides that on acceptance of the road by the district, the district is considered the owner of the accepted road and is required to record ownership of the road in the deed records of Denton County.

Sec. 7980.055. ELECTION REQUIRED. Prohibits the district from exercising the powers authorized by Section 7980.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7980.101. ISSUANCE OF BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS PROHIBITED. Prohibits the district from issuing 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 7980.052.

CHAPTER 7981. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7981.001. DEFINITION. Defines "district" as the Denton County Municipal Utility District No. 5.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7981.051. 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. 7981.052. AUTHORITY FOR ROAD PROJECTS. Authorizes the district, under Section 52, Article III, Texas Constitution, to improve, operate, or maintain any macadamized, graveled, or paved roads in existence on September 1, 2017, or improvements, including storm drainage, in aid of those roads inside the district.

Sec. 7981.053. 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 a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

Sec. 7981.054. ACCEPTANCE OF ROADS. (a) Authorizes the district by order of the board to accept any road inside the district that has been dedicated by plat or otherwise transferred to the public.

(b) Provides that on acceptance of the road by the district, the district is considered the owner of the accepted road and is required to record ownership of the road in the deed records of Denton County.

Sec. 7981.055. ELECTION REQUIRED. Prohibits the district from exercising the powers authorized by Section 7981.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7981.101. ISSUANCE OF BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS PROHIBITED. Prohibits the district from issuing 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 7981.052.

SECTION 2. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the Denton County Municipal Utility Districts Nos. 4 and 5 that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

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: August 1, 2017.