

BILL ANALYSIS

Senate Research Center
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S.B. 2253
By: Nichols
Transportation
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Montgomery County Municipal Utility No. 101 (district) encompasses an area approximately 725 acres within the extraterritorial jurisdiction of the cities of Willis and Conroe. The land located within the district is proposed to be predominately developed for single-family use and is in need of new and expanded road facilities.

The 79th Legislature created this municipal utility district (MUD). However, at the time, there was no set template for MUDs. This resulted in this MUD lacking the authority to impose taxes and issue bonds and obligations to provide road facilities to the district. Since that time, a standard template for MUDs has been created by the legislature that includes this power. This bill adds this power to the MUD and equates it to other MUDs in the surrounding areas in powers.

S.B. 2253 authorizes the district to impose taxes and issue bonds and obligations to provide road facilities to the district.

As proposed, S.B. 2253 amends current law relating to providing road powers to the Montgomery County Municipal Utility District No. 101 and provides authority to 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 Section 8120.002, Special District Local Laws Code, as follows:

Sec. 8120.002. New heading: NATURE OF DISTRICT; FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) Provides that the Montgomery County Municipal Utility District No. 101 (district) is created to serve a public purpose and benefit. Deletes existing text setting forth the purpose of the district.

(b) Provides that the creation of the district is essential to accomplish the purposes of 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 (General Provisions), Texas Constitution and 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.

SECTION 2. Amends Subchapter C, Chapter 8120, Special District Local Laws Code, by adding Sections 8120.104 and 8120.105, as follows:

Sec. 8120.104. 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. 8120.105. 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.

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

SECTION 3. Amends Chapter 8120, Special District Local Laws Code, by adding Subchapter D, as follows:

SUBCHAPTER D. BONDS

Sec. 8120.151. 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, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the district.

SECTION 4. Provides that all requirements of the constitution and the 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 5. Effective date: upon passage or September 1, 2017.