

BILL ANALYSIS

Senate Research Center
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S.B. 2292
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2292 adds general road powers to the Lerin Hills Municipal Utility District in Comal County (district). The district was originally created administratively, pursuant to the Texas Commission on Environmental Quality special district process. Due to this creation process, the district was not originally given road powers. The road powers language combines the language from the municipal utility district "template" approved by and used in prior sessions by House and Senate committees and the Legislative Council and a State Office of Administrative Hearings mediation agreement reached between the developers and residents.. Additionally, as required by the Texas Constitution and law, the district's ability to issue bonds and levy ad valorem taxes for road facilities would be subject to voter approval.

As proposed, S.B. 2292 amends current law relating to the powers and duties of the Meyer Ranch Municipal Utility District of Comal County, affects an existing limited power of eminent domain, provides authority to issue bonds, and provides authority to impose 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 Chapter 7989, as follows:

CHAPTER 7989. MEYER RANCH MUNICIPAL UTILITY DISTRICT OF COMAL COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7989.001. DEFINITION. Defines "district."

Sec. 7989.002. NATURE OF DISTRICT. Provides that the Meyer Ranch Municipal Utility District of Comal County (district) is a municipal utility district 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. 7989.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) Provides that the district is created to serve a public purpose and benefit.

(b) Sets forth the purpose of the district.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7989.051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7989.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including certain laws applicable to certain municipal utility districts.

Sec. 7989.053. 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 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. 7989.054. 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 the road project, if a road project 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, if the state will maintain and operate the road, to approve the plans and specifications of the road project.

Sec. 7989.055. LIMITATION ON USE OF EMINENT DOMAIN. (a) Prohibits the district from exercising the power of eminent domain outside the boundaries of the district for any purpose unless the proposed exercise is approved by a written resolution of the commissioners court of each county in which the district is located.

(b) Prohibits the district from exercising the power of eminent domain before the entire board of directors is composed of directors elected by the residents of the district.

Sec. 7989.056. COMPLIANCE WITH MARCH 2016 AGREEMENT. Requires the district, on the date the district becomes a permittee under Texas Pollutant Discharge Elimination System Permit No. WQ0015314001, to exercise any power necessary to comply with all applicable terms of the "Settlement Agreement" of March 29, 2016, between Randolph Todd Company, LLC and certain individuals.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7989.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (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 7989.053.

(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 a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 7989.102. TAXES FOR BONDS. Requires the board, 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.

Sec. 7989.103. 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 2. 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 3. Effective date: upon passage or September 1, 2017.