

BILL ANALYSIS

Senate Research Center

S.B. 2297
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Intergovernmental Relations
5/15/2017
Committee Report (Amended)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Continuing development and growth in Central Texas, including Hays County, has created the need for large-scale, permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and thoroughfare improvements. Article XVI, Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), and Article III, Section 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), of the Texas Constitution provide for the creation of local governmental districts which may incur indebtedness to provide such permanent improvements and levy taxes for the maintenance and operation of such improvements and the repayment of indebtedness.

S.B. 2297 allows LaSalle Municipal Utility District No. 3 the authority to impose assessments on property to finance the construction or maintenance of a recreational facility or improvement, provided that a written petition requesting that facility or improvement has been filed with the board and the board holds a hearing on the proposed assessments. S.B. 2297 also names temporary directors and makes minor changes to reconfigure the boundary of the district.

As proposed, S.B. 2297 amends current law relating to the temporary board of and financing of certain facilities and improvements by the LaSalle Municipal Utility District No. 3; providing authority to impose an assessment.

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 Sections 8474.052(a) and (b), Special District Local Laws Code, as follows:

(a) Provides that the temporary board of directors consists of certain named persons. Deletes existing text authorizing the owner or owners of a majority of the assessed value of the real property in the LaSalle Municipal Utility District No. 3 (district) to submit a certain petition to the Texas Commission on Environmental Quality (TCEQ) and requiring TCEQ to appoint as temporary directors the five persons named in the petition.

(b) Provides that temporary directors serve until the earlier of:

(1) makes no changes to this subdivision; or

(2) the fourth anniversary of the effective date of their designation, rather than of the Act enacting this chapter (LaSalle Municipal Utility District No. 3).

SECTION 2. Amends Chapter 8474, Special District Local Laws Code, by adding Subchapter F, as follows:

SUBCHAPTER F. ASSESSMENTS; APPLICABILITY OF ASSESSMENTS

Sec. 8474.251. PETITION REQUIRED FOR FINANCING IMPROVEMENTS AND RECREATIONAL FACILITIES WITH ASSESSMENTS. (a) Authorizes the district's board of directors (board), except as provided by this subchapter, to finance the construction or maintenance of a recreational facility or improvement with assessments on property under this subchapter only if a written petition requesting that facility or improvement has been filed with the board and the board holds a hearing on the proposed assessments.

(b) Requires that the petition be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 8474.252. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. Authorizes an improvement or recreational facility project to include the planning, design, construction, improvement, and maintenance of certain areas or structures.

Sec. 8474.253. METHOD OF NOTICE FOR HEARING. Requires the district to mail notice of the hearing to each property owner in the district who will be subject to the assessment at the current address to be assessed as reflected on the tax rolls. Authorizes the district to mail the notice by certified or first class United States mail. Requires the board to determine the method of notice.

Sec. 8474.254. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) Provides that an assessment or a reassessment imposed under this subchapter by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(b) Provides that the lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. Authorizes the board to enforce the lien in the same manner that the board is authorized to enforce an ad valorem tax lien against real property.

(c) Authorizes the board to make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Sec. 8474.255. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS. Prohibits the district from imposing an assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of certain utilities or providers.

SECTION 3. Amends Section 2, Chapter 627, Acts of the 83rd Legislature, Regular Session, 2013, to set forth the amended initial boundaries of the district.

SECTION 4. (a) Provides that all governmental and proprietary actions of the district taken before the effective date of this Act, including the creation of the district, the consent to create the district granted by the City of San Marcos, the consent agreement relating to the district and any amendments to that agreement, and any extension of time in which to hold a confirmation election for the district, are validated, ratified, and confirmed in all respects.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

SECTION 5. 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 6. Provides that, for purposes of Section 8474.052(b)(2), Special District Local Laws Code, as amended by this Act, the effective date of the temporary directors' designation is the effective date of this Act.

SECTION 7. Effective date: upon passage or September 1, 2017.

SUMMARY OF COMMITTEE CHANGES

Adds the following appropriately numbered SECTION to the bill and renumbers existing SECTIONS of the bill accordingly:

SECTION __. Amends Section 8474.201, Special District Local Laws Code, as follows:

Sec. 8474.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a)
Creates an exception under Subsection (b).

(b) Prohibits the district from issuing bonds payable wholly or partly from assessments.