

BILL ANALYSIS

Senate Research Center
86R15967 GRM-F

H.B. 4654
By: Metcalf (Creighton)
Administration
5/2/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4654 amends the powers of the existing East Montgomery County Municipal Utility District No. 12 (district), a political subdivision of the State of Texas, to authorize the district to undertake certain road projects. The district will construct and finance roads to serve property within the district, which is located in the extraterritorial jurisdiction of the City of Conroe. The district is a municipal utility district operating pursuant to Chapters 49 and 54, Water Code.

The district was previously created by the Texas Legislature. These additional powers are needed to finance and construct the road infrastructure necessary to promote the development of the area within the district.

H.B. 4654 amends current law relating to the board of directors and powers and duties of the East Montgomery County Municipal Utility District No. 12; provides authority to issue bonds; and provides 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 Section 8116.002, Special District Local Laws Code, as follows:

Sec. 8116.002. New heading: NATURE AND PURPOSES OF DISTRICT. (a) Creates this subsection from existing text. Provides that the East Montgomery County Municipal Utility District No. 12 (district) is created to serve a public purpose and benefit, rather than providing that the district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities; Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), Article XVI, Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment Funds), 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 Section 8116.051(b), Special District Local Laws Code, to create an exception under Section 8116.053 to the provision that directors serve staggered four-year terms.

SECTION 3. Amends Subchapter B, Chapter 8116, Special District Local Laws Code, by adding Section 8116.053 to set forth the size, composition, appointment, terms, and names of the temporary board of directors for the district.

SECTION 4. Amends Subchapter C, Chapter 8116, Special District Local Laws Code, by adding Sections 8116.104, 8116.105, 8116.106, and 8116.107 to set forth the powers and duties of the district, including municipal utility districts powers and duties and authority to undertake road projects.

SECTION 5. Amends Chapter 8116, Special District Local Laws Code, by adding Subchapters D and E to set forth general financial provisions and to authorize the district to impose taxes and issue bonds and other obligations.

SECTION 6. Repealer: Subchapter A1 (Temporary Provisions), Chapter 8116, Special District Local Laws Code.

Repealer: Section 8116.052 (Election of Directors), Special District Local Laws Code.

SECTION 7. Provides that the East Montgomery County Municipal Utility District No. 12 retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 8. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the East Montgomery County Municipal Utility District No. 12 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 9. 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 10. Effective date: upon passage or September 1, 2019.