

By: Creighton  
(Bell of Montgomery)

S.B. No. 2506

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the powers and authorities of municipal utility  
3 districts.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 54.234(a), Water Code, is amended to  
6 read as follows:

7 (a) Any district or any petitioner seeking the creation of a  
8 district may petition the commission to acquire the power under the  
9 authority of Article III, Section 52, Texas Constitution, to  
10 design, acquire, construct, finance, issue bonds for, operate,  
11 maintain, and convey to this state, a county, or a municipality for  
12 operation and maintenance, a road [~~described by Subsection (b)~~] or  
13 any improvement in aid of the road.

14 SECTION 2. Section 54.801(a), Water Code, is amended to  
15 read as follows:

16 (a) A district that is composed of at least 1,000 [~~1,500~~]  
17 acres may define areas or designate certain property of the  
18 district to pay for improvements, facilities, or services that  
19 primarily benefit that area or property and do not generally and  
20 directly benefit the district as a whole.

21 SECTION 3. Section 54.802(b), Water Code, is amended to  
22 read as follows:

23 (b) The board shall file an engineer's report [~~adopt a~~  
24 ~~proposed plan~~] for improvements in the defined area or to serve the

1 designated property [~~in the manner provided by Section 49.106~~].

2 SECTION 4. Section 54.805, Water Code, is amended to read as  
3 follows:

4 Sec. 54.805. OBTAINING FUNDS TO CONSTRUCT, ADMINISTER,  
5 MAINTAIN, AND OPERATE IMPROVEMENTS AND FACILITIES IN DEFINED AREAS  
6 OR DESIGNATED PROPERTY. On adoption of the proposed plan [~~plans~~] as  
7 provided by this subchapter [~~Section 54.804 of this code~~] and voter  
8 approval of taxes and bonds [~~the plans~~], the district, under the  
9 limitations of this subchapter, may apply separately, differently,  
10 equitably, and specifically its taxing power and lien authority to  
11 the defined area or designated property to provide money to  
12 construct, administer, maintain, and operate improvements and  
13 facilities that primarily benefit the defined area or designated  
14 property.

15 SECTION 5. Section 54.806(a), Water Code, is amended to  
16 read as follows:

17 (a) Before bonds may be issued or taxes may be levied for the  
18 defined area or designated property [~~the adopted plans may become~~  
19 ~~effective~~], they must be approved by the voters in the defined area  
20 or within the boundaries of the designated property. The election  
21 shall be conducted as provided by Section 49.106 for an election to  
22 authorize the issuance of bonds or Section 49.107 for an election to  
23 authorize an operation and maintenance tax.

24 SECTION 6. Section 54.809, Water Code, is amended to read as  
25 follows:

26 Sec. 54.809. ISSUANCE OF BONDS AND LEVY OF TAX FOR DEFINED  
27 AREA OR DESIGNATED PROPERTY. After approval by the voters [~~the~~

1 ~~order is recorded~~], the district may issue its bonds and levy taxes  
2 to provide the specific plant, works, and facilities included in  
3 the engineer's report [~~plans adopted~~] for the defined area, or to  
4 serve the designated property [~~and shall provide the plant, works,~~  
5 ~~and facilities~~].

6 SECTION 7. Section 54.812(b), Water Code, is amended to  
7 read as follows:

8 (b) The prescribed notice shall be inserted into the general  
9 notice after the first sentence and shall read substantially as  
10 follows: "The real property described below, which you are about to  
11 purchase, may [~~is~~] also be located within a defined [~~designated~~]  
12 area of the district and your land may [~~will~~] be subject to defined  
13 area taxes in addition to the [~~a higher tax than~~] other taxes of  
14 [~~land within~~] the district. As of this date, the additional [~~Your~~]  
15 rate of taxes within the defined area is [~~will be higher by~~] \$\_\_\_\_\_  
16 on each \$100 of assessed valuation [~~than land not within the~~  
17 ~~designated area~~]."

18 SECTION 8. Sections 54.234(b), 54.803, 54.804(a), 54.807,  
19 and 54.808, Water Code, are repealed.

20 SECTION 9. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2019.