

By: Creighton

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

13 SECTION 2. Section 54.801(a), Water Code, is amended to
14 read as follows: (a) A district that is composed of at least 1,000
15 [~~1,500~~] acres may define areas or designate certain property of the
16 district to pay for improvements, facilities, or services that
17 primarily benefit that area or property and do not generally and
18 directly benefit the district as a whole.

19 SECTION 3. Section 54.802(b), Water Code, is amended to
20 read as follows: (b) The board shall file an engineer's report
21 [~~adopt a proposed plan~~] for improvements in the defined area or to
22 serve the designated property [~~in the manner provided by Section~~
23 ~~49.106~~].

24 SECTION 4. Section 54.805, Water Code, is amended to read as

1 follows: On adoption of the proposed plan [~~plans~~] as provided by
2 this subchapter [~~Section 54.804 of this code~~] and voter approval of
3 taxes and bonds [~~the plans~~], the district, under the limitations of
4 this subchapter, may apply separately, differently, equitably, and
5 specifically its taxing power and lien authority to the defined
6 area or designated property to provide money to construct,
7 administer, maintain, and operate improvements and facilities that
8 primarily benefit the defined area or designated property.

9 SECTION 5. Section 54.806(a), Water Code, is amended to
10 read as follows: (a) Before bonds may be issued or taxes may be
11 levied for the defined area or designated property [~~the adopted~~
12 ~~plans may become effective~~], they must be approved by the voters in
13 the defined area or within the boundaries of the designated
14 property. The election shall be conducted as provided by Section
15 49.106 for an election to authorize the issuance of bonds or Section
16 49.107 for an election to authorize an operation and maintenance
17 tax.

18 SECTION 6. Section 54.809, Water Code, is amended to read as
19 follows: "After approval by the voters [~~the order is recorded~~], the
20 district may issue its bonds and levy taxes to provide the specific
21 plant, works, and facilities included in the engineer's report
22 [~~plans adopted~~] for the defined area, or to serve the designated
23 property [~~and shall provide the plant, works, and facilities~~].

24 SECTION 7. Section 54.812(b), Water Code, is amended to
25 read as follows: (b) The prescribed notice shall be inserted into
26 the general notice after the first sentence and shall read
27 substantially as follows: "The real property described below,

1 which you are about to purchase, may [~~is~~] also be located within a
2 defined [~~designated~~] area of the district and your land may [~~will~~]
3 be subject to defined area taxes in addition to the [~~a higher tax~~
4 ~~than~~] other taxes of [~~land within~~] the district. As of this date,
5 the additional [~~Your~~] rate of taxes within the defined area is [~~will~~
6 ~~be higher by~~] \$_____ on each \$100 of assessed valuation [~~than land~~
7 ~~not within the designated area~~]."

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

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