

1-1 By: Creighton S.B. No. 2506  
1-2 (In the Senate - Filed April 1, 2019; April 3, 2019, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 11, 2019, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; April 11, 2019, sent to printer.)

1-6 COMMITTEE VOTE

|      | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-7  |     |     |        |     |
| 1-8  | X   |     |        |     |
| 1-9  | X   |     |        |     |
| 1-10 | X   |     |        |     |
| 1-11 | X   |     |        |     |
| 1-12 | X   |     |        |     |
| 1-13 | X   |     |        |     |
| 1-14 | X   |     |        |     |

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the powers and authorities of municipal utility  
1-18 districts.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 54.234(a), Water Code, is amended to  
1-21 read as follows:

1-22 (a) Any district or any petitioner seeking the creation of a  
1-23 district may petition the commission to acquire the power under the  
1-24 authority of Article III, Section 52, Texas Constitution, to  
1-25 design, acquire, construct, finance, issue bonds for, operate,  
1-26 maintain, and convey to this state, a county, or a municipality for  
1-27 operation and maintenance, a road [~~described by Subsection (b)~~] or  
1-28 any improvement in aid of the road.

1-29 SECTION 2. Section 54.801(a), Water Code, is amended to  
1-30 read as follows:

1-31 (a) A district that is composed of at least 1,000 [~~1,500~~]  
1-32 acres may define areas or designate certain property of the  
1-33 district to pay for improvements, facilities, or services that  
1-34 primarily benefit that area or property and do not generally and  
1-35 directly benefit the district as a whole.

1-36 SECTION 3. Section 54.802(b), Water Code, is amended to  
1-37 read as follows:

1-38 (b) The board shall file an engineer's report [~~adopt a~~  
1-39 ~~proposed plan~~] for improvements in the defined area or to serve the  
1-40 designated property [~~in the manner provided by Section 49.106~~].

1-41 SECTION 4. Section 54.805, Water Code, is amended to read as  
1-42 follows:

1-43 Sec. 54.805. OBTAINING FUNDS TO CONSTRUCT, ADMINISTER,  
1-44 MAINTAIN, AND OPERATE IMPROVEMENTS AND FACILITIES IN DEFINED AREAS  
1-45 OR DESIGNATED PROPERTY. On adoption of the proposed plan [~~plans~~]  
1-46 provided by this subchapter [~~Section 54.804 of this code~~] and voter  
1-47 approval of taxes and bonds [~~the plans~~], the district, under the  
1-48 limitations of this subchapter, may apply separately, differently,  
1-49 equitably, and specifically its taxing power and lien authority to  
1-50 the defined area or designated property to provide money to  
1-51 construct, administer, maintain, and operate improvements and  
1-52 facilities that primarily benefit the defined area or designated  
1-53 property.

1-54 SECTION 5. Section 54.806(a), Water Code, is amended to  
1-55 read as follows:

1-56 (a) Before bonds may be issued or taxes may be levied for the  
1-57 defined area or designated property [~~the adopted plans may become~~  
1-58 ~~effective~~], they must be approved by the voters in the defined area  
1-59 or within the boundaries of the designated property. The election  
1-60 shall be conducted as provided by Section 49.106 for an election to  
1-61 authorize the issuance of bonds or Section 49.107 for an election to

2-1 authorize an operation and maintenance tax.

2-2 SECTION 6. Section 54.809, Water Code, is amended to read as  
2-3 follows:

2-4 Sec. 54.809. ISSUANCE OF BONDS AND LEVY OF TAX FOR DEFINED  
2-5 AREA OR DESIGNATED PROPERTY. After approval by the voters [~~the~~  
2-6 ~~order is recorded~~], the district may issue its bonds and levy taxes  
2-7 to provide the specific plant, works, and facilities included in  
2-8 the engineer's report [~~plans adopted~~] for the defined area, or to  
2-9 serve the designated property [~~and shall provide the plant, works,~~  
2-10 ~~and facilities~~].

2-11 SECTION 7. Section 54.812(b), Water Code, is amended to  
2-12 read as follows:

2-13 (b) The prescribed notice shall be inserted into the general  
2-14 notice after the first sentence and shall read substantially as  
2-15 follows: "The real property described below, which you are about to  
2-16 purchase, may [~~is~~] also be located within a defined [~~designated~~]  
2-17 area of the district and your land may [~~will~~] be subject to defined  
2-18 area taxes in addition to the [~~a higher tax than~~] other taxes of  
2-19 [~~land within~~] the district. As of this date, the additional [~~Your~~]  
2-20 rate of taxes within the defined area is [~~will be higher by~~] \$\_\_\_\_\_  
2-21 on each \$100 of assessed valuation [~~than land not within the~~  
2-22 ~~designated area~~]."

2-23 SECTION 8. Sections 54.234(b), 54.803, 54.804(a), 54.807,  
2-24 and 54.808, Water Code, are repealed.

2-25 SECTION 9. This Act takes effect immediately if it receives  
2-26 a vote of two-thirds of all the members elected to each house, as  
2-27 provided by Section 39, Article III, Texas Constitution. If this  
2-28 Act does not receive the vote necessary for immediate effect, this  
2-29 Act takes effect September 1, 2019.

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