

By: Bettencourt

S.B. No. 2520

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the powers and duties of the Cy-Champ Public Utility  
3 District; providing authority to issue bonds; providing authority  
4 to impose a tax.

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

6 SECTION 1. Sections 8178.003(b) and (c), Special District  
7 Local Laws Code, are amended to read as follows:

8 (b) All land and other property included in the boundaries  
9 of the district will benefit from the works and projects  
10 accomplished by the district under the powers conferred by Section  
11 59, Article XVI, Texas Constitution, and Section 52, Article III,  
12 Texas Constitution.

13 (c) The creation of the district is essential to accomplish  
14 the purposes of:

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

17 (2) Section 52, Article III, Texas Constitution, that  
18 relate to the construction, acquisition, improvement, operation,  
19 or maintenance of macadamized, graveled, or paved roads, or  
20 improvements, including storm drainage, in aid of those roads.

21 SECTION 2. Subchapter C, Chapter 8178, Special District  
22 Local Laws Code, is amended by adding Sections 8178.102, 8178.103,  
23 8178.104, and 8178.105 to read as follows:

24 Sec. 8178.102. AUTHORITY FOR ROAD PROJECTS. Under Section

1 52, Article III, Texas Constitution, the district may design,  
2 acquire, construct, finance, issue bonds for, improve, operate,  
3 maintain, and convey to this state, a county, or a municipality for  
4 operation and maintenance macadamized, graveled, or paved roads, or  
5 improvements, including storm drainage, in aid of those roads.

6 Sec. 8178.103. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
7 project must meet all applicable construction standards, zoning and  
8 subdivision requirements, and regulations of each municipality in  
9 whose corporate limits or extraterritorial jurisdiction the road  
10 project is located.

11 (b) If a road project is not located in the corporate limits  
12 or extraterritorial jurisdiction of a municipality, the road  
13 project must meet all applicable construction standards,  
14 subdivision requirements, and regulations of each county in which  
15 the road project is located.

16 (c) If the state will maintain and operate the road, the  
17 Texas Transportation Commission must approve the plans and  
18 specifications of the road project.

19 Sec. 8178.104. AUTHORITY TO ESTABLISH DEFINED AREAS.  
20 Notwithstanding the acreage requirement under Section 54.801(a),  
21 Water Code, the district may establish and administer defined areas  
22 as provided by Subchapter J, Chapter 54, Water Code.

23 Sec. 8178.105. ADDITION OR EXCLUSION OF LAND IN DEFINED  
24 AREA. The district may add or exclude land from the defined areas  
25 in the same manner the district may add or exclude land from the  
26 district.

27 SECTION 3. Chapter 8178, Special District Local Laws Code,

1 is amended by adding Subchapter D to read as follows:

2 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS

3 Sec. 8178.151. AUTHORITY TO ISSUE BONDS AND OTHER  
4 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
5 other obligations payable wholly or partly from ad valorem taxes,  
6 impact fees, revenue, contract payments, grants, or other district  
7 money, or any combination of those sources, to pay for a road  
8 project authorized by Section 8178.102.

9 (b) The district may not issue bonds payable from ad valorem  
10 taxes to finance a road project unless the issuance is approved by a  
11 vote of a two-thirds majority of the district voters voting at an  
12 election held for that purpose.

13 (c) At the time of issuance, the total principal amount of  
14 outstanding bonds or other obligations issued or incurred to  
15 finance road projects and payable from ad valorem taxes may not  
16 exceed one-fourth of the assessed value of the real property in the  
17 district.

18 Sec. 8178.152. TAXES FOR ROAD BONDS. At the time the  
19 district issues bonds for road projects payable wholly or partly  
20 from ad valorem taxes, the district shall provide for the annual  
21 imposition of a continuing direct ad valorem tax, without limit as  
22 to rate or amount, while all or part of the bonds are outstanding as  
23 required and in the manner provided by Sections 54.601 and 54.602,  
24 Water Code.

25 SECTION 4. The Cy-Champ Public Utility District retains all  
26 the rights, powers, privileges, authority, duties, and functions  
27 that it had before the effective date of this Act.

1           SECTION 5. (a) The legislature validates and confirms all  
2 governmental acts and proceedings of the board of directors of the  
3 Cy-Champ Public Utility District that were taken before the  
4 effective date of this Act.

5           (b) This section does not apply to any matter that on the  
6 effective date of this Act:

7                   (1) is involved in litigation if the litigation  
8 ultimately results in the matter being held invalid by a final court  
9 judgment; or

10                   (2) has been held invalid by a final court judgment.

11           SECTION 6. (a) The legal notice of the intention to  
12 introduce this Act, setting forth the general substance of this  
13 Act, has been published as provided by law, and the notice and a  
14 copy of this Act have been furnished to all persons, agencies,  
15 officials, or entities to which they are required to be furnished  
16 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
17 Government Code.

18           (b) The governor, one of the required recipients, has  
19 submitted the notice and Act to the Texas Commission on  
20 Environmental Quality.

21           (c) The Texas Commission on Environmental Quality has filed  
22 its recommendations relating to this Act with the governor, the  
23 lieutenant governor, and the speaker of the house of  
24 representatives within the required time.

25           (d) All requirements of the constitution and laws of this  
26 state and the rules and procedures of the legislature with respect  
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2           SECTION 7. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2019.