

1-1 By: Bettencourt S.B. No. 2520  
1-2 (In the Senate - Filed April 3, 2019; April 4, 2019, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; April 25, 2019, reported favorably by the following  
1-5 vote: Yeas 7, Nays 0; April 25, 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 duties of the Cy-Champ Public Utility  
1-18 District; providing authority to issue bonds; providing authority  
1-19 to impose a tax.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Sections 8178.003(b) and (c), Special District  
1-22 Local Laws Code, are amended to read as follows:

1-23 (b) All land and other property included in the boundaries  
1-24 of the district will benefit from the works and projects  
1-25 accomplished by the district under the powers conferred by Section  
1-26 59, Article XVI, Texas Constitution, and Section 52, Article III,  
1-27 Texas Constitution.

1-28 (c) The creation of the district is essential to accomplish  
1-29 the purposes of:

1-30 (1) a municipal utility district as provided by  
1-31 general law and Section 59, Article XVI, Texas Constitution; and

1-32 (2) Section 52, Article III, Texas Constitution, that  
1-33 relate to the construction, acquisition, improvement, operation,  
1-34 or maintenance of macadamized, graveled, or paved roads, or  
1-35 improvements, including storm drainage, in aid of those roads.

1-36 SECTION 2. Subchapter C, Chapter 8178, Special District  
1-37 Local Laws Code, is amended by adding Sections 8178.102, 8178.103,  
1-38 8178.104, and 8178.105 to read as follows:

1-39 Sec. 8178.102. AUTHORITY FOR ROAD PROJECTS. Under Section  
1-40 52, Article III, Texas Constitution, the district may design,  
1-41 acquire, construct, finance, issue bonds for, improve, operate,  
1-42 maintain, and convey to this state, a county, or a municipality for  
1-43 operation and maintenance macadamized, graveled, or paved roads, or  
1-44 improvements, including storm drainage, in aid of those roads.

1-45 Sec. 8178.103. ROAD STANDARDS AND REQUIREMENTS. (a) A  
1-46 road project must meet all applicable construction standards,  
1-47 zoning and subdivision requirements, and regulations of each  
1-48 municipality in whose corporate limits or extraterritorial  
1-49 jurisdiction the road project is located.

1-50 (b) If a road project is not located in the corporate limits  
1-51 or extraterritorial jurisdiction of a municipality, the road  
1-52 project must meet all applicable construction standards,  
1-53 subdivision requirements, and regulations of each county in which  
1-54 the road project is located.

1-55 (c) If the state will maintain and operate the road, the  
1-56 Texas Transportation Commission must approve the plans and  
1-57 specifications of the road project.

1-58 Sec. 8178.104. AUTHORITY TO ESTABLISH DEFINED AREAS.  
1-59 Notwithstanding the acreage requirement under Section 54.801(a),  
1-60 Water Code, the district may establish and administer defined areas  
1-61 as provided by Subchapter J, Chapter 54, Water Code.

2-1 Sec. 8178.105. ADDITION OR EXCLUSION OF LAND IN DEFINED  
2-2 AREA. The district may add or exclude land from the defined areas  
2-3 in the same manner the district may add or exclude land from the  
2-4 district.

2-5 SECTION 3. Chapter 8178, Special District Local Laws Code,  
2-6 is amended by adding Subchapter D to read as follows:

2-7 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS

2-8 Sec. 8178.151. AUTHORITY TO ISSUE BONDS AND OTHER  
2-9 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds  
2-10 or other obligations payable wholly or partly from ad valorem  
2-11 taxes, impact fees, revenue, contract payments, grants, or other  
2-12 district money, or any combination of those sources, to pay for a  
2-13 road project authorized by Section 8178.102.

2-14 (b) The district may not issue bonds payable from ad valorem  
2-15 taxes to finance a road project unless the issuance is approved by a  
2-16 vote of a two-thirds majority of the district voters voting at an  
2-17 election held for that purpose.

2-18 (c) At the time of issuance, the total principal amount of  
2-19 outstanding bonds or other obligations issued or incurred to  
2-20 finance road projects and payable from ad valorem taxes may not  
2-21 exceed one-fourth of the assessed value of the real property in the  
2-22 district.

2-23 Sec. 8178.152. TAXES FOR ROAD BONDS. At the time the  
2-24 district issues bonds for road projects payable wholly or partly  
2-25 from ad valorem taxes, the district shall provide for the annual  
2-26 imposition of a continuing direct ad valorem tax, without limit as  
2-27 to rate or amount, while all or part of the bonds are outstanding as  
2-28 required and in the manner provided by Sections 54.601 and 54.602,  
2-29 Water Code.

2-30 SECTION 4. The Cy-Champ Public Utility District retains all  
2-31 the rights, powers, privileges, authority, duties, and functions  
2-32 that it had before the effective date of this Act.

2-33 SECTION 5. (a) The legislature validates and confirms all  
2-34 governmental acts and proceedings of the board of directors of the  
2-35 Cy-Champ Public Utility District that were taken before the  
2-36 effective date of this Act.

2-37 (b) This section does not apply to any matter that on the  
2-38 effective date of this Act:

2-39 (1) is involved in litigation if the litigation  
2-40 ultimately results in the matter being held invalid by a final court  
2-41 judgment; or

2-42 (2) has been held invalid by a final court judgment.

2-43 SECTION 6. (a) The legal notice of the intention to  
2-44 introduce this Act, setting forth the general substance of this  
2-45 Act, has been published as provided by law, and the notice and a  
2-46 copy of this Act have been furnished to all persons, agencies,  
2-47 officials, or entities to which they are required to be furnished  
2-48 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
2-49 Government Code.

2-50 (b) The governor, one of the required recipients, has  
2-51 submitted the notice and Act to the Texas Commission on  
2-52 Environmental Quality.

2-53 (c) The Texas Commission on Environmental Quality has filed  
2-54 its recommendations relating to this Act with the governor, the  
2-55 lieutenant governor, and the speaker of the house of  
2-56 representatives within the required time.

2-57 (d) All requirements of the constitution and laws of this  
2-58 state and the rules and procedures of the legislature with respect  
2-59 to the notice, introduction, and passage of this Act are fulfilled  
2-60 and accomplished.

2-61 SECTION 7. This Act takes effect immediately if it receives  
2-62 a vote of two-thirds of all the members elected to each house, as  
2-63 provided by Section 39, Article III, Texas Constitution. If this  
2-64 Act does not receive the vote necessary for immediate effect, this  
2-65 Act takes effect September 1, 2019.

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