

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 4652
By: Metcalf (Creighton)
Local Government
5/19/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4652 creates Montgomery County Municipal Utility District No. 208 (district). The district will encompass approximately 496.44 acres of land located within Montgomery County, Texas. The district is located within the extraterritorial jurisdiction of the City of Conroe, Texas.

H.B. 4652 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes. H.B. 4652 follows the template in all regards, except that it provides the district with the authority to divide into two or more districts, and for the city to annex the district without dissolving the district. The district is created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The district will have standard road powers and must comply with all applicable road standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the facilities. It is also necessary to empower the district with authority to impose a tax and to grant the district a limited power of eminent domain. The bill provides for the creation, administration, powers, duties, operation, and financing of the district.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 4652 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 208, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose assessments, fees, and taxes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7939A, as follows:

CHAPTER 7939A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 208

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 208 (district) in Montgomery County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of and public purpose for the district (Sections 7939A.0101-7939A.0106);

Size, composition, appointment, and compensation and reimbursement of expenses for the board of directors, including composition of the initial board (Sections 7939A.0201-7939A.0202);

Powers and duties of the district (Sections 7939A.0301-7939A.0306); and

General financial provisions and authority to impose a tax and issue bonds and obligations for the district (Sections 7939A.0401-7939A.0503).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. (a) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7939A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7939A.0307, as follows:

Sec. 7939A.0307. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(b) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. Effective date: September 1, 2021.