

BILL ANALYSIS

Senate Research Center
87R10043 MCF-F

S.B. 2149
By: Birdwell
Local Government
5/14/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2149 amends the Special District Local Laws Code to create the Sterrett Road Municipal Management District within the extraterritorial jurisdiction of the City of Waxahachie, subject to voter approval at a confirmation election, to provide certain improvements, projects, and services for public use and benefit.

The bill provides for, among other provisions, municipal management district powers, including water district powers, road district powers, public improvement district powers, and district eligibility for inclusion in special zones under the Tax Code. The bill allows the district to form a nonprofit corporation for the implementation of services, contract to provide law enforcement services, and engage in economic development programs. The bill also provides for the annexation or exclusion of district land and dissolution of the district.

The district's powers and duties include, subject to certain requirements, the power to levy taxes and impose assessments and the power to issue obligations secured by ad valorem taxes, assessments, or any other district source of revenue. The consent of the city to the creation of the district is required prior to the issuance of any bonds by the district. The district may issue bonds in the manner provided by Chapter 372, Texas Local Government Code, only if the improvements financed by those bonds will be conveyed to or operated by a municipality or other retail provider pursuant to an agreement with that entity. Voter approval at an election is required for the district to impose an ad valorem tax or operation and maintenance tax. The district may not finance services or improvements with assessments unless a majority of landowners of the property to be assessed file a petition with the district requesting the service or improvement. The bill grants the district the power of eminent domain, if approved by a two-thirds vote of the legislature.

As proposed, S.B. 2149 amends current law relating to the creation of the Sterrett Road Municipal Management District; provides authority to issue bonds; provides authority to impose assessments, fees, and taxes; and grants the power of eminent domain.

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 C, Title 4, Special District Local Laws Code, by adding Chapter 3959, as follows:

CHAPTER 3959. STERRETT ROAD MUNICIPAL MANAGEMENT DISTRICT

Sets forth standard language for the creation of the Sterrett Road Municipal Management District (district). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of and public purpose for the district (Sections 3959.0001-3959.0008);

Size, composition, appointment, and compensation and reimbursement of expenses for the board of directors, including composition of the initial directors (Sections 3959.0051-3959.0053);

Powers and duties of the district (Sections 3959.0101-3959.0111);

General financial provisions and authority to impose a tax and issue bonds (Sections 3959.0151-3959.0206); and

Dissolution of the district by the city (Section 3959.0901).

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 Section 3959.0110, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 3959, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 3959.0110, as follows:

Sec. 3959.0110. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) 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: upon passage or September 1, 2021.