

## **BILL ANALYSIS**

Senate Research Center

S.B. 2216  
By: Creighton  
Local Government  
5/25/2021  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The East Montgomery County Municipal Utility District No. 14 (district) was created in 2005 by the Texas Legislature. S.B. 2216 proposes to grant the district division powers and the power to undertake certain road projects.

Division powers allow a district to divide after it has been created. Division powers provide for flexibility in land planning over large tracts, allowing district boundaries to be established by the final land plan, rather than an arbitrary line at creation. Additionally, division powers allow for an advantageous tax structure for residents. Residents benefit by seeing their tax rates drop sooner in a smaller district.

Road infrastructure is necessary to promote the development of the area within the district.

The bill authorizes the district, subject to certain requirements, to issue bonds and other obligations and impose property taxes.

There is no known opposition to this legislation.

S.B. 2216 amends current law relating to the powers and duties of the East Montgomery County Municipal Utility District No. 14, 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 Section 8118.002, Special District Local Laws Code, as follows:

Sec. 8118.002. New heading: NATURE AND PURPOSES OF DISTRICT. (a) Creates this subsection from existing text. Provides that the East Montgomery County Municipal Utility District No. 14 (district) is created to serve a public purpose and benefit. Deletes existing text providing that the district is a municipal utility district in Montgomery County created under and essential to accomplish the purposes of Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities; Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), Article XVI, Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of:

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

(2) Section 52 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), Article III, Texas Constitution, that relate to the

construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

SECTION 2. Amends Subchapter C, Chapter 8118, Special District Local Laws Code, by adding Sections 8118.104, 8118.105, 8118.106, 8118.107, and 8118.108, to set forth provisions related to the powers and duties of the district, including the ability to divide into two or more districts.

SECTION 3. Amends Chapter 8118, Special District Local Laws Code, by adding Subchapters D and E, to set forth standards, procedures, requirements, and criteria for general financial provisions and authority to impose a tax and issue bonds and obligations for the district.

SECTION 4. Repealer: Section 8118.022 (Organizational Meeting of Temporary Directors), Special District Local Laws Code.

Repealer: 8118.023 (Confirmation and Initial Directors' Election), Special District Local Laws Code.

Repealer: 8118.024 (Initial Elected Directors; Terms), Special District Local Laws Code.

Repealer: 8118.025 (First Regularly Scheduled Election of Directors), Special District Local Laws Code.

Repealer: 8118.052 (Election of Directors), Special District Local Laws Code.

SECTION 5. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 6. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment, or has been held invalid by a final court judgment.

SECTION 7. Provides that all requirements of the constitution and the 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 8. Effective date: upon passage or September 1, 2021.