

AN ACT

relating to the powers and duties of the Morningstar Ranch Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8490 to read as follows:

CHAPTER 8490. MORNINGSTAR RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8490.0101. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "District" means the Morningstar Ranch Municipal Utility District No. 1.

Sec. 8490.0102. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) 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, 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.

1 SUBCHAPTER B. POWERS AND DUTIES

2 Sec. 8490.0201. GENERAL POWERS AND DUTIES. The district
3 has the powers and duties necessary to accomplish the purposes for
4 which the district is created.

5 Sec. 8490.0202. MUNICIPAL UTILITY DISTRICT POWERS AND
6 DUTIES. The district has the powers and duties provided by the
7 general law of this state, including Chapters 49 and 54, Water Code,
8 applicable to municipal utility districts created under Section 59,
9 Article XVI, Texas Constitution.

10 Sec. 8490.0203. AUTHORITY FOR ROAD PROJECTS. Under Section
11 52, Article III, Texas Constitution, the district may design,
12 acquire, construct, finance, issue bonds for, improve, operate,
13 maintain, and convey to this state, a county, or a municipality for
14 operation and maintenance macadamized, graveled, or paved roads, or
15 improvements, including storm drainage, in aid of those roads.

16 Sec. 8490.0204. ROAD STANDARDS AND REQUIREMENTS. (a) A
17 road project must meet all applicable construction standards and
18 regulations of each municipality in whose corporate limits or
19 extraterritorial jurisdiction the road project is located.

20 (b) If a road project is not located in the corporate limits
21 or extraterritorial jurisdiction of a municipality, the road
22 project must meet all applicable construction standards and
23 regulations of each county in which the road project is located.

24 (c) If the state will maintain and operate the road, the
25 Texas Transportation Commission must approve the plans and
26 specifications of the road project.

27 Sec. 8490.0205. AUTHORITY TO ESTABLISH DEFINED AREAS OR

1 DESIGNATED PROPERTY. Notwithstanding the acreage requirement
2 under Section 54.801(a), Water Code, the district may define areas
3 or designate certain property of the district as provided by
4 Subchapter J, Chapter 54, Water Code, to pay for improvements,
5 facilities, or services that primarily benefit that area or
6 property and do not generally and directly benefit the district as a
7 whole. Notwithstanding any other provision of law, a defined area
8 may include a noncontiguous tract.

9 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

10 Sec. 8490.0301. AUTHORITY TO ISSUE BONDS AND OTHER
11 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or
12 other obligations payable wholly or partly from ad valorem taxes,
13 revenue, contract payments, grants, or other district money, or any
14 combination of those sources, to pay for a road project authorized
15 by Section 8490.0203.

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

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

25 Sec. 8490.0302. TAXES FOR BONDS. At the time the district
26 issues bonds payable wholly or partly from ad valorem taxes, the
27 board shall provide for the annual imposition of a continuing

1 direct ad valorem tax, without limit as to rate or amount, while all
2 or part of the bonds are outstanding as required and in the manner
3 provided by Sections 54.601 and 54.602, Water Code.

4 SECTION 2. The Morningstar Ranch Municipal Utility District
5 No. 1 retains all rights, powers, privileges, authority, duties,
6 and functions that it had before the effective date of this Act.

7 SECTION 3. (a) The legal notice of the intention to
8 introduce this Act, setting forth the general substance of this
9 Act, has been published as provided by law, and the notice and a
10 copy of this Act have been furnished to all persons, agencies,
11 officials, or entities to which they are required to be furnished
12 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
13 Government Code.

14 (b) The governor, one of the required recipients, has
15 submitted the notice and Act to the Texas Commission on
16 Environmental Quality.

17 (c) The Texas Commission on Environmental Quality has filed
18 its recommendations relating to this Act with the governor, the
19 lieutenant governor, and the speaker of the house of
20 representatives within the required time.

21 (d) All requirements of the constitution and laws of this
22 state and the rules and procedures of the legislature with respect
23 to the notice, introduction, and passage of this Act are fulfilled
24 and accomplished.

25 SECTION 4. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 2835

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 2835 was passed by the House on May 8, 2021, by the following vote: Yeas 102, Nays 37, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2835 was passed by the Senate on May 27, 2021, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor