

1-1 By: Creighton S.B. No. 2217
 1-2 (In the Senate - Filed April 16, 2021; April 19, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 27, 2021, reported favorably by the following vote: Yeas 8,
 1-5 Nays 0; April 27, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez			X	
1-9 Eckhardt	X			
1-10 Gutierrez	X			
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the powers and duties of the East Montgomery County
 1-20 Municipal Utility District No. 13; providing authority to issue
 1-21 bonds; providing authority to impose assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 8117.002, Special District Local Laws
 1-24 Code, is amended to read as follows:

1-25 Sec. 8117.002. NATURE AND PURPOSES OF DISTRICT. (a) The
 1-26 district is ~~[a municipal utility district in Montgomery County]~~
 1-27 ~~created to serve a public purpose and benefit [under and essential~~
 1-28 ~~to accomplish the purposes of Section 59, Article XVI, Texas~~
 1-29 ~~Constitution].~~

1-30 (b) The district is created to accomplish the purposes of:

1-31 (1) a municipal utility district as provided by
 1-32 general law and Section 59, Article XVI, Texas Constitution; and

1-33 (2) Section 52, Article III, Texas Constitution, that
 1-34 relate to the construction, acquisition, improvement, operation,
 1-35 or maintenance of macadamized, graveled, or paved roads, or
 1-36 improvements, including storm drainage, in aid of those roads.

1-37 SECTION 2. Subchapter C, Chapter 8117, Special District
 1-38 Local Laws Code, is amended by adding Sections 8117.104, 8117.105,
 1-39 8117.106, 8117.107, and 8117.108 to read as follows:

1-40 Sec. 8117.104. GENERAL POWERS AND DUTIES. The district has
 1-41 the powers and duties necessary to accomplish the purposes for
 1-42 which the district is created.

1-43 Sec. 8117.105. MUNICIPAL UTILITY DISTRICT POWERS AND
 1-44 DUTIES. The district has the powers and duties provided by the
 1-45 general law of this state, including Chapters 49 and 54, Water Code,
 1-46 applicable to municipal utility districts created under Section 59,
 1-47 Article XVI, Texas Constitution.

1-48 Sec. 8117.106. AUTHORITY FOR ROAD PROJECTS. Under Section
 1-49 52, Article III, Texas Constitution, the district may design,
 1-50 acquire, construct, finance, issue bonds for, improve, operate,
 1-51 maintain, and convey to this state, a county, or a municipality for
 1-52 operation and maintenance macadamized, graveled, or paved roads, or
 1-53 improvements, including storm drainage, in aid of those roads.

1-54 Sec. 8117.107. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 1-55 project must meet all applicable construction standards, zoning and
 1-56 subdivision requirements, and regulations of each municipality in
 1-57 whose corporate limits or extraterritorial jurisdiction the road
 1-58 project is located.

1-59 (b) If a road project is not located in the corporate limits
 1-60 or extraterritorial jurisdiction of a municipality, the road
 1-61 project must meet all applicable construction standards,
 1-62 subdivision requirements, and regulations of each county in which
 1-63 the road project is located.

2-1 (c) If the state will maintain and operate the road, the
2-2 Texas Transportation Commission must approve the plans and
2-3 specifications of the road project.

2-4 Sec. 8117.108. DIVISION OF DISTRICT. (a) The district may
2-5 be divided into two or more new districts only if the district:

2-6 (1) has never issued any bonds; and

2-7 (2) is not imposing ad valorem taxes.

2-8 (b) This chapter applies to any new district created by the
2-9 division of the district, and a new district has all the powers and
2-10 duties of the district.

2-11 (c) Any new district created by the division of the district
2-12 may not, at the time the new district is created, contain any land
2-13 outside the area of the district as it existed on January 1, 2021.

2-14 (d) The board, on its own motion or on receipt of a petition
2-15 signed by the owner or owners of a majority of the assessed value of
2-16 the real property in the district, may adopt an order dividing the
2-17 district.

2-18 (e) The board may adopt an order dividing the district
2-19 before or after the date the board holds an election under Section
2-20 49.102, Water Code, to confirm the creation of the district.

2-21 (f) An order dividing the district shall:

2-22 (1) name each new district;

2-23 (2) include the metes and bounds description of the
2-24 territory of each new district;

2-25 (3) appoint temporary directors for each new district;
2-26 and

2-27 (4) provide for the division of assets and liabilities
2-28 between or among the new districts.

2-29 (g) On or before the 30th day after the date of adoption of
2-30 an order dividing the district, the district shall file the order
2-31 with the commission and record the order in the real property
2-32 records of each county in which the district is located.

2-33 (h) Any new district created by the division of the district
2-34 shall hold a confirmation and directors' election as required by
2-35 Section 49.102, Water Code.

2-36 (i) If the creation of the new district is confirmed, the
2-37 new district shall provide the election date and results to the
2-38 Texas Commission on Environmental Quality.

2-39 (j) Any new district created by the division of the district
2-40 must hold an election as required by Section 49.107, Water Code, and
2-41 this chapter to obtain voter approval before the district may
2-42 impose a maintenance tax or issue bonds payable wholly or partly
2-43 from ad valorem taxes.

2-44 (k) Municipal consent to the creation of the district and to
2-45 the inclusion of land in the district acts as municipal consent to
2-46 the creation of any new district created by the division of the
2-47 district and to the inclusion of land in the new district.

2-48 SECTION 3. Chapter 8117, Special District Local Laws Code,
2-49 is amended by adding Subchapters D and E to read as follows:

2-50 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-51 Sec. 8117.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
2-52 district may issue, without an election, bonds and other
2-53 obligations secured by:

2-54 (1) revenue other than ad valorem taxes; or

2-55 (2) contract payments described by Section 8117.153.

2-56 (b) The district must hold an election in the manner
2-57 provided by Chapters 49 and 54, Water Code, to obtain voter approval
2-58 before the district may impose an ad valorem tax or issue bonds
2-59 payable from ad valorem taxes.

2-60 (c) The district may not issue bonds payable from ad valorem
2-61 taxes to finance a road project unless the issuance is approved by a
2-62 vote of a two-thirds majority of the district voters voting at an
2-63 election held for that purpose.

2-64 Sec. 8117.152. OPERATION AND MAINTENANCE TAX. (a) If
2-65 authorized at an election held under Section 8117.151, the district
2-66 may impose an operation and maintenance tax on taxable property in
2-67 the district in accordance with Section 49.107, Water Code.

2-68 (b) The board shall determine the tax rate. The rate may not
2-69 exceed the rate approved at the election.

2-70 Sec. 8117.153. CONTRACT TAXES. (a) In accordance with
2-71 Section 49.108, Water Code, the district may impose a tax other than

3-1 an operation and maintenance tax and use the revenue derived from
3-2 the tax to make payments under a contract after the provisions of
3-3 the contract have been approved by a majority of the district voters
3-4 voting at an election held for that purpose.

3-5 (b) A contract approved by the district voters may contain a
3-6 provision stating that the contract may be modified or amended by
3-7 the board without further voter approval.

3-8 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-9 Sec. 8117.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-10 OBLIGATIONS. The district may issue bonds or other obligations
3-11 payable wholly or partly from ad valorem taxes, impact fees,
3-12 revenue, contract payments, grants, or other district money, or any
3-13 combination of those sources, to pay for any authorized district
3-14 purpose.

3-15 Sec. 8117.202. TAXES FOR BONDS. At the time the district
3-16 issues bonds payable wholly or partly from ad valorem taxes, the
3-17 board shall provide for the annual imposition of a continuing
3-18 direct ad valorem tax, without limit as to rate or amount, while all
3-19 or part of the bonds are outstanding as required and in the manner
3-20 provided by Sections 54.601 and 54.602, Water Code.

3-21 Sec. 8117.203. BONDS FOR ROAD PROJECTS. At the time of
3-22 issuance, the total principal amount of bonds or other obligations
3-23 issued or incurred to finance road projects and payable from ad
3-24 valorem taxes may not exceed one-fourth of the assessed value of the
3-25 real property in the district.

3-26 SECTION 4. Sections 8117.022, 8117.023, 8117.024,
3-27 8117.025, and 8117.052, Special District Local Laws Code, are
3-28 repealed.

3-29 SECTION 5. The East Montgomery County Municipal Utility
3-30 District No. 13 retains all the rights, powers, privileges,
3-31 authority, duties, and functions that it had before the effective
3-32 date of this Act.

3-33 SECTION 6. (a) The legislature validates and confirms all
3-34 governmental acts and proceedings of the East Montgomery County
3-35 Municipal Utility District No. 13 that were taken before the
3-36 effective date of this Act.

3-37 (b) This section does not apply to any matter that on the
3-38 effective date of this Act:

3-39 (1) is involved in litigation if the litigation
3-40 ultimately results in the matter being held invalid by a final court
3-41 judgment; or

3-42 (2) has been held invalid by a final court judgment.

3-43 SECTION 7. (a) The legal notice of the intention to
3-44 introduce this Act, setting forth the general substance of this
3-45 Act, has been published as provided by law, and the notice and a
3-46 copy of this Act have been furnished to all persons, agencies,
3-47 officials, or entities to which they are required to be furnished
3-48 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-49 Government Code.

3-50 (b) The governor, one of the required recipients, has
3-51 submitted the notice and Act to the Texas Commission on
3-52 Environmental Quality.

3-53 (c) The Texas Commission on Environmental Quality has filed
3-54 its recommendations relating to this Act with the governor, the
3-55 lieutenant governor, and the speaker of the house of
3-56 representatives within the required time.

3-57 (d) All requirements of the constitution and laws of this
3-58 state and the rules and procedures of the legislature with respect
3-59 to the notice, introduction, and passage of this Act are fulfilled
3-60 and accomplished.

3-61 SECTION 8. This Act takes effect immediately if it receives
3-62 a vote of two-thirds of all the members elected to each house, as
3-63 provided by Section 39, Article III, Texas Constitution. If this
3-64 Act does not receive the vote necessary for immediate effect, this
3-65 Act takes effect September 1, 2021.

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