

BILL ANALYSIS

Senate Research Center
88R7790 LRM-F

S.B. 2572
By: Creighton
Local Government
4/25/2023
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2572 creates Montgomery County Municipal Utility District No. 229 (district). The district will encompass approximately 350 acres of land located within Montgomery County, Texas. S.B. 2572 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.

S.B. 2572 follows the template in all regards, except that it provides the district with the authority to divide into two or more districts. 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.

As proposed, S.B. 2572 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 229, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose 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 7970A, as follows:

CHAPTER 7970A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 229

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 229 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation, purpose, and approval of the district (Sections 7970A.0101-7970A.0106);

Size, composition, appointment, compensation, and terms of the board of directors of the district, including the naming of the initial directors (Sections 7970A.0201-7970A.0202);

Powers and duties of the district (Sections 7970A.0301-7970A.0306); and

General financial provisions and authority to impose a maintenance tax and issue bonds and obligations for the district (Sections 7970A.0401-7970A.0503).

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

SECTION 3. 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 4. (a) Amends Subchapter C, Chapter 7970A, Special District Local Laws Code, as added by Section 1 of this Act, if this Act does not receive a two-thirds vote of all the members elected to each house, by adding Section 7970A.0307, as follows:

Sec. 7970A.0307. NO EMINENT DOMAIN POWER. (a) 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) (relating to authorizing the legislature, on or after January 1, 2010 to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I, Texas Constitution.

SECTION 5. Effective date: September 1, 2023.