

## **BILL ANALYSIS**

Senate Research Center

S.B. 2588  
By: Huffman  
Local Government  
6/1/2023  
Enrolled

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

Municipal utility districts and other water districts are widely used in the greater Houston region and surrounding regions to provide essential water, sewer, drainage, parks, and road infrastructure to the areas within their boundaries.

This local bill creates Fort Bend County Municipal Utility District No. 264 (district). The district sits in unincorporated Fort Bend County. The district will cover approximately 2,414 acres of currently raw, undeveloped land. The proposed development plans for this District include primarily single-family residential uses.

The legislation utilizes the MUD "template" approved by and used in prior sessions by House and Senate committees and the Legislative Council. The legislation includes "standardized" language providing for division powers. Notice of intent was published on February 2, 2023, and the developer is Poonuru, LLC.

S.B. 2588 amends current law relating to the creation of the Fort Bend County Municipal Utility District No. 264, grants a limited power of eminent domain, 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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7974A, as follows:

#### CHAPTER 7974A. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 264

Sets forth language for the creation of the Fort Bend County Municipal Utility District No. 264 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7974A.0101-7974A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7974A.0201-7974A.0202);

Powers and duties of the district (Sections 7974A.0301-7974A.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7974A.0401-7974A.0503).

SECTION 2. Sets forth the initial boundaries for 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) Amends Subchapter C, Chapter 7974A, 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 7974A.0307, as follows:

Sec. 7974A.0307. NO EMINENT DOMAIN POWER. 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 10, 2020, 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 (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2023.