By:  Gates (Senate Sponsor - Kolkhorst) H.B. No. 5312

(In the Senate - Received from the House May 15, 2023; May 15, 2023, read first time and referred to Committee on Local Government; May 19, 2023, reported favorably by the following vote: Yeas 9, Nays 0; May 19, 2023, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Springer          X

Eckhardt          X

Gutierrez         X

Hall              X

Nichols           X

Parker            X

Paxton            X

West              X

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Fort Bend County Municipal Utility District No. 147; providing authority to issue bonds and impose fees and taxes.

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 7967A to read as follows:

CHAPTER 7967A. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 147

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7967A.0101.  DEFINITIONS. In this chapter:

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

(2)  "Commission" means the Texas Commission on Environmental Quality.

(3)  "District" means the Fort Bend County Municipal Utility District No. 147.

Sec. 7967A.0102.  NATURE AND PURPOSES OF DISTRICT. The district is a municipal utility district in Fort Bend County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7967A.0201.  DEFINED AREAS. (a) Notwithstanding the limitation on authorization based on acreage under Section 54.801(a), Water Code, the district may establish and administer defined areas as provided by Subchapter J, Chapter 54, Water Code.

(b)  Under Section 52, Article III, Texas Constitution, the district may construct, acquire, improve, maintain, or operate in a defined area established under this section:

(1)  macadamized, graveled, or paved roads; or

(2)  improvements, including storm drainage, in aid of those roads.

(c)  The district may issue bonds or other obligations as provided by Chapters 49 and 54, Water Code, to finance the construction, acquisition, improvement, maintenance, or operation of projects under Subsection (b).

(d)  The district may impose an ad valorem tax on real property in a defined area to pay the principal of or interest on bonds issued under Subsection (c) to finance projects benefiting the defined area.

(e)  The district may not issue bonds or other obligations secured wholly or partly by ad valorem taxes to finance a project authorized by Subsection (b) unless the issuance is approved by a vote of a two-thirds majority of the voters of the defined area to be benefited by the project as provided by Subchapter J, Chapter 54, Water Code, voting at an election called for that purpose.

(f)  At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance projects authorized by Subsection (b) benefiting a defined area may not exceed one-fourth of the assessed value of the real property in the defined area.

Sec. 7967A.0202.  AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

(b)  The district may exercise the powers provided by this section without submitting a petition to or obtaining approval from the commission as required by Section 54.234, Water Code.

Sec. 7967A.0203.  APPROVAL OF ROAD PROJECT. (a) The district may not undertake a road project authorized by Section 7967A.0202 unless:

(1)  each municipality or county that will operate and maintain the road has approved the plans and specifications of the road project, if a municipality or county will operate and maintain the road; or

(2)  the Texas Transportation Commission has approved the plans and specifications of the road project, if the state will operate and maintain the road.

(b)  Except as provided by Subsection (a), the district is not required to obtain approval from the Texas Transportation Commission to design, acquire, construct, finance, issue bonds for, improve, or convey a road project.

Sec. 7967A.0204.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7967A.0205.  LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district boundaries to acquire a site or easement for a road project authorized by Section 7967A.0202.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7967A.0301.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7967A.0302.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7967A.0303.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2.  (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

(d)  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 3.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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