

By: Metcalf

H.B. No. 5396

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the Stanley Lake Municipal Utility District; providing authority to issue bonds; providing authority to 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 7983A to read as follows:

CHAPTER 7983A. STANLEY LAKE MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7983A.0101. DEFINITIONS. In this chapter:

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

(2) "District" means the Stanley Lake Municipal Utility District.

Sec. 7983A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7983A.0103. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

(a) The district is created to serve a public purpose and benefit.

(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

1 improvements, including storm drainage, in aid of those roads.

2 SUBCHAPTER B. POWERS AND DUTIES

3 Sec. 7983A.0201. GENERAL POWERS AND DUTIES. (a) The  
4 district has the powers and duties necessary to accomplish the  
5 purposes for which the district is created.

6 (b) 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. 7983A.0202. AUTHORITY FOR ROAD PROJECTS. Under  
11 Section 52, Article III, Texas Constitution, the district may  
12 design, acquire, construct, finance, issue bonds for, improve,  
13 operate, maintain, and convey to this state, a county, or a  
14 municipality for operation and maintenance macadamized, graveled,  
15 or paved roads, or improvements, including storm drainage, in aid  
16 of those roads.

17 Sec. 7983A.0203. ROAD STANDARDS AND REQUIREMENTS. (a) A  
18 road project must meet all applicable construction standards,  
19 zoning and subdivision requirements, and regulations of each  
20 municipality in whose corporate limits or extraterritorial  
21 jurisdiction the road project is located.

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

27 (c) If the state will maintain and operate the road, the

1 Texas Transportation Commission must approve the plans and  
2 specifications of the road project.

3 SUBCHAPTER C. DEFINED AREAS

4 Sec. 7983A.0301. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
5 DESIGNATED PROPERTY. The district may define areas or designate  
6 certain property of the district to pay for improvements,  
7 facilities, or services that primarily benefit that area or  
8 property and do not generally and directly benefit the district as a  
9 whole.

10 Sec. 7983A.0302. PROCEDURE FOR ELECTION. (a) Before the  
11 district may impose an ad valorem tax applicable only to the defined  
12 area or designated property or issue bonds payable from ad valorem  
13 taxes of the defined area or designated property, the board shall  
14 hold an election in the defined area or in the designated property  
15 only.

16 (b) The board may submit the issues to the voters on the same  
17 ballot to be used in another election.

18 Sec. 7983A.0303. DECLARING RESULT AND ISSUING ORDER. (a)  
19 If a majority of the voters voting at the election approve the  
20 proposition or propositions, the board shall declare the results  
21 and, by order, shall establish the defined area and describe it by  
22 metes and bounds or designate the specific property.

23 (b) A court may not review the board's order except on the  
24 ground of fraud, palpable error, or arbitrary and confiscatory  
25 abuse of discretion.

26 Sec. 7983A.0304. TAXES FOR SERVICES, IMPROVEMENTS, AND  
27 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter

1 approval and adoption of the order described by Section 7983A.0303,  
2 the district may apply separately, differently, equitably, and  
3 specifically its taxing power and lien authority to the defined  
4 area or designated property to provide money to construct,  
5 administer, maintain, and operate services, improvements, and  
6 facilities that primarily benefit the defined area or designated  
7 property.

8 Sec. 7983A.0305. ISSUANCE OF BONDS FOR DEFINED AREA OR  
9 DESIGNATED PROPERTY. After the order under Section 7983A.0303 is  
10 adopted, the district may issue bonds to provide for any land,  
11 improvements, facilities, plants, equipment, and appliances for  
12 the defined area or designated property.

13 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

14 Sec. 7983A.0401. AUTHORITY TO ISSUE BONDS AND OTHER  
15 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
16 other obligations payable wholly or partly from ad valorem taxes,  
17 impact fees, revenue, contract payments, grants, or other district  
18 money, or any combination of those sources, to pay for a road  
19 project authorized by Section 7983A.0202.

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

24 Sec. 7983A.0402. TAXES FOR BONDS. At the time the district  
25 issues bonds payable wholly or partly from ad valorem taxes, the  
26 board shall provide for the annual imposition of a continuing  
27 direct ad valorem tax, without limit as to rate or amount, while all

1 or part of the bonds are outstanding as required and in the manner  
2 provided by Sections 54.601 and 54.602, Water Code.

3 Sec. 7983A.0403. BONDS FOR ROAD PROJECTS. At the time of  
4 issuance, the total principal amount of bonds or other obligations  
5 issued or incurred to finance road projects and payable from ad  
6 valorem taxes may not exceed one-fourth of the assessed value of the  
7 real property in the district.

8 SECTION 2. The Stanley Lake Municipal Utility District  
9 retains all rights, powers, privileges, authority, duties, and  
10 functions that it had before the effective date of this Act.

11 SECTION 3. (a) The legislature validates and confirms all  
12 governmental acts and proceedings of the Stanley Lake Municipal  
13 Utility District that were taken before the effective date of this  
14 Act.

15 (b) This section does not apply to any matter that on the  
16 effective date of this Act:

17 (1) is involved in litigation if the litigation  
18 ultimately results in the matter being held invalid by a final court  
19 judgment; or

20 (2) has been held invalid by a final court judgment.

21 SECTION 4. (a) The legal notice of the intention to  
22 introduce this Act, setting forth the general substance of this  
23 Act, has been published as provided by law, and the notice and a  
24 copy of this Act have been furnished to all persons, agencies,  
25 officials, or entities to which they are required to be furnished  
26 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
27 Government Code.

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

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

8           (d) All requirements of the constitution and laws of this  
9 state and the rules and procedures of the legislature with respect  
10 to the notice, introduction, and passage of this Act are fulfilled  
11 and accomplished.

12          SECTION 5. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2023.