

BILL ANALYSIS

H.B. 5654
By: Metcalf
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee of the need for a municipal utility district to be created in Montgomery County for the benefit of certain undeveloped land. H.B. 5654 seeks to provide for the creation of the Montgomery County Municipal Utility District No. 263.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 5654 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 263, subject to applicable municipal consent and voter approval at a confirmation election. The bill, among other provisions, grants the district the power to undertake certain road projects and provides for the district's division. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property, operation and maintenance, and contract taxes. The bill expressly prohibits the district from exercising the power of eminent domain if the bill does not receive a two-thirds vote of all the members elected to each house and establishes that this provision is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

H.B. 5654 establishes that all applicable requirements relating to the following have been fulfilled and accomplished with respect to the bill:

- the legal notice of intention to introduce;
- governor action;
- Texas Commission on Environmental Quality recommendations; and
- the state constitution and laws and legislative rules and procedures.

EFFECTIVE DATE

January 1, 2026.