

1-1 By: Metcalf, et al. (Senate Sponsor - Blanco) H.B. No. 4370
1-2 (In the Senate - Received from the House May 14, 2025;
1-3 May 15, 2025, read first time and referred to Committee on Local
1-4 Government; May 20, 2025, reported favorably by the following
1-5 vote: Yeas 6, Nays 0; May 20, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the projects undertaken by a public improvement
1-18 district, municipal management district, water control and
1-19 improvement district, fresh water supply district, or municipal
1-20 utility district.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 372.003, Local Government Code, is
1-23 amended by amending Subsection (b) and adding Subsection (b-2) to
1-24 read as follows:

1-25 (b) A public improvement project may include:

1-26 (1) landscaping;
1-27 (2) erection of fountains, distinctive lighting, and
1-28 signs;

1-29 (3) acquiring, constructing, improving, widening,
1-30 narrowing, closing, or rerouting of sidewalks or of streets, any
1-31 other roadways, or their rights-of-way;

1-32 (4) construction or improvement of pedestrian malls;

1-33 (5) acquisition and installation of pieces of art;

1-34 (6) acquisition, construction, or improvement of
1-35 libraries;

1-36 (7) acquisition, construction, or improvement of
1-37 off-street parking facilities;

1-38 (8) acquisition, construction, improvement, or
1-39 rerouting of mass transportation facilities;

1-40 (9) acquisition, construction, or improvement of
1-41 water, geothermal water conveyance, wastewater, or drainage
1-42 facilities or improvements;

1-43 (10) the establishment or improvement of parks;

1-44 (11) projects similar to those listed in Subdivisions
1-45 (1)-(10);

1-46 (12) acquisition, by purchase or otherwise, of real
1-47 property in connection with an authorized improvement;

1-48 (13) special supplemental services for improvement
1-49 and promotion of the district, including services relating to
1-50 advertising, promotion, health and sanitation, water and
1-51 wastewater, public safety, security, business recruitment,
1-52 development, recreation, and cultural enhancement;

1-53 (14) payment of expenses incurred in the
1-54 establishment, administration, and operation of the district; and

1-55 (15) the development, rehabilitation, or expansion of
1-56 affordable housing.

1-57 (b-2) Payment of expenses under Subsection (b)(9) may also
1-58 include expenses related to the operation and maintenance of a
1-59 geothermal water conveyance facility or improvement.

1-60 SECTION 2. Section 372.023(a), Local Government Code, is
1-61 amended to read as follows:

(a) Costs of improvements may be paid or reimbursed by any combination of the methods described by this section if the improvements are dedicated, conveyed, leased, or otherwise provided to or for the benefit of:

(1) a municipality or county;

(2) a political subdivision or other entity exercising the powers granted under this subchapter as authorized by other law; ~~or~~

(3) an entity that:

(A) is approved by the governing body of an entity described by Subdivision (1) or (2); and

(B) is authorized by order, ordinance, resolution, or other official action to act for an entity described by Subdivision (1) or (2); or

(4) an entity subject to the regulatory jurisdiction of the Public Utility Commission of Texas.

SECTION 3. Section [375.093](#)(c), Local Government Code, is amended to read as follows:

(c) If a district, in exercising any of the powers conferred by this chapter, requires the relocation, adjustment, raising, lowering, rerouting, or changing the grade of or altering the construction of any street, alley, highway, overpass, underpass, or road, any railroad track, bridge, or other facilities or property, any electric lines, conduits, or other facilities or property, any telephone or telegraph lines, conduits, or other facilities or property, any gas transmission or distribution pipes, pipelines, mains, or other facilities or property, any water, geothermal water conveyance, sanitary sewer or storm sewer pipes, pipelines, mains, or other facilities, or property, any cable television lines, cables, conduits, or other facilities or property, or any other pipelines and any facilities or properties relating to those pipelines, those relocations, adjustments, raising, lowering, rerouting, or changing of grade, or altering of construction must be accomplished at the sole cost and expense of the district, and damages that are suffered by the owners of the property or facilities shall be borne by the district.

SECTION 4. Section [375.112](#)(a), Local Government Code, is amended to read as follows:

(a) An improvement project or services provided by the district may include the construction, acquisition, improvement, relocation, operation, maintenance, or provision of:

(1) landscaping; lighting, banners, and signs; streets and sidewalks; pedestrian skywalks, crosswalks, and tunnels; seawalls; marinas; drainage and navigation improvements; pedestrian malls; solid waste, water, sewer, and power facilities, including electrical, gas, steam, cogeneration, and chilled water facilities and geothermal water conveyance facilities or improvements; parks, plazas, lakes, rivers, bayous, ponds, and recreation and scenic areas; historic areas; fountains; works of art; off-street parking facilities, bus terminals, heliports, and mass transit systems; theatres, studios, exhibition halls, production facilities and ancillary facilities in support of the foregoing; and the cost of any demolition in connection with providing any of the improvement projects;

(2) other improvements similar to those described in Subdivision (1);

(3) the acquisition of real property or any interest in real property in connection with an improvement, project, or services authorized by this chapter, Chapter [54](#), Water Code, or Chapter [365](#) or [441](#), Transportation Code;

(4) special supplemental services for advertising, economic development, promoting the area in the district, health and sanitation, public safety, maintenance, security, business recruitment, development, elimination or relief of traffic congestion, recreation, and cultural enhancement; and

(5) expenses incurred in the establishment, administration, maintenance, and operation of the district or any of its improvements, projects, or services.

SECTION 5. Section [51.121](#)(b), Water Code, is amended to

3-1 read as follows:

3-2 (b) A water control and improvement district organized
3-3 under the provisions of Article XVI, Section 59, of the Texas
3-4 Constitution, may provide for:

3-5 (1) the control, storage, preservation, and
3-6 distribution of its water and floodwater and the water of its rivers
3-7 and streams for irrigation, power, and all other useful purposes;

3-8 (2) the reclamation and irrigation of its arid,
3-9 semiarid, and other land which needs irrigation;

3-10 (3) the reclamation, drainage, conservation, and
3-11 development of its forests, water, and hydroelectric power;

3-12 (4) the navigation of its coastal and inland water;

3-13 (5) the control, abatement, and change of any shortage
3-14 or harmful excess of water;

3-15 (6) the protection, preservation, and restoration of
3-16 the purity and sanitary condition of water within the state; and

3-17 (7) the preservation and conservation of all natural
3-18 resources of the state, including through the use of geothermal
3-19 water conveyance systems for the conservation of natural resources.

3-20 SECTION 6. Section 51.125, Water Code, is amended to read as
3-21 follows:

3-22 Sec. 51.125. CONSTRUCTION OF IMPROVEMENTS. A district may
3-23 construct all works and improvements necessary:

3-24 (1) for the prevention of floods;

3-25 (2) for the irrigation of land in the district;

3-26 (3) for the drainage of land in the district,
3-27 including drainage ditches or other facilities for drainage;

3-28 (4) for the construction of levees to protect the land
3-29 in the district from overflow;

3-30 (5) to alter land elevations where correction is
3-31 needed; ~~and~~

3-32 (6) to supply water for municipal uses, domestic uses,
3-33 power and commercial purposes, and all other beneficial uses or
3-34 controls; and

3-35 (7) for the construction of geothermal water
3-36 conveyance systems necessary for the conservation of natural
3-37 resources.

3-38 SECTION 7. Subchapter D, Chapter 53, Water Code, is amended
3-39 by adding Section 53.123 to read as follows:

3-40 Sec. 53.123. GEOHERMAL WATER CONVEYANCE SYSTEMS. A
3-41 district may purchase, construct, acquire, own, operate, repair,
3-42 improve, and extend geothermal water conveyance systems in the
3-43 district.

3-44 SECTION 8. Section 53.182, Water Code, is amended by adding
3-45 Subsection (d) to read as follows:

3-46 (d) For the purposes of Section 53.123, a district may issue
3-47 bonds payable from ad valorem taxes, revenues, or a combination
3-48 thereof.

3-49 SECTION 9. Section 54.012, Water Code, is amended to read as
3-50 follows:

3-51 Sec. 54.012. PURPOSES OF A DISTRICT. A district shall be
3-52 created for the following purposes:

3-53 (1) the control, storage, preservation, and
3-54 distribution of its storm water and floodwater, the water of its
3-55 rivers and streams for irrigation, power, and all other useful
3-56 purposes;

3-57 (2) the reclamation and irrigation of its arid,
3-58 semiarid, and other land needing irrigation;

3-59 (3) the reclamation and drainage of its overflowed
3-60 land and other land needing drainage;

3-61 (4) the conservation and development of its forests,
3-62 water, and hydroelectric power;

3-63 (5) the navigation of its inland and coastal water;

3-64 (6) the control, abatement, and change of any shortage
3-65 or harmful excess of water;

3-66 (7) the protection, preservation, and restoration of
3-67 the purity and sanitary condition of water within the state; and

3-68 (8) the preservation of all natural resources of the
3-69 state, including through the use of geothermal water conveyance

systems for the preservation of natural resources.

SECTION 10. Section 54.501, Water Code, is amended to read as follows:

Sec. 54.501. ISSUANCE OF BONDS. The district may issue its bonds for any purpose authorized by this chapter, Chapter 49, or other applicable laws, including the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending any district works, improvements, facilities, plants, equipment, and appliances needed to accomplish the purposes set forth in Section 54.012 for which a district shall be created, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, geothermal water conveyance system, and solid waste disposal system.

SECTION 11. This Act takes effect September 1, 2025.

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