

BILL ANALYSIS

C.S.H.B. 2478
By: Keough
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that continuing development and growth in Montgomery County have created the need for improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, and thoroughfare improvements. C.S.H.B. 2478 seeks to address this need.

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

C.S.H.B. 2478 amends the Special District Local Laws Code to create the Montgomery County Municipal Utility District No. 144 subject to voter approval at a confirmation election and municipal consent. The bill grants the district the power to undertake certain road projects, makes the district eligible for inclusion in a tax increment reinvestment zone, and provides for the effect of annexation by the City of Conroe. The bill authorizes the district, subject to certain requirements, to issue obligations and impose property and operation and maintenance taxes. The bill, if it receives a two-thirds vote of all the members elected to each house, prohibits the district from exercising the power of eminent domain outside the district without the written consent of the City of Conroe. If it does not receive such a vote, the bill prohibits the district from exercising the power of eminent domain.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2478 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subtitle F, Title 6, Special	SECTION 1. Subtitle F, Title 6, Special

District Local Laws Code, is amended by adding Chapter ____ to read as follows:
CHAPTER _____ MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 144

SUBCHAPTER A. GENERAL PROVISIONS

Sec. .001. DEFINITIONS.

Sec. .002. NATURE OF DISTRICT.

Sec. .003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. .004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. .005. 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 a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution.

Sec. .006. INITIAL DISTRICT TERRITORY.

Sec. .007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. .051. GOVERNING BODY; TERMS.

Sec. .052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) _____ ;
(2) _____ ;
(3) _____ ;
(4) _____ ; and
(5) _____ .

District Local Laws Code, is amended by adding Chapter 7953 to read as follows:
CHAPTER 7953. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 144

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7953.001. DEFINITIONS.

Sec. 7953.002. NATURE OF DISTRICT.

Sec. 7953.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED.

Sec. 7953.004. CONSENT OF MUNICIPALITY REQUIRED.

Sec. 7953.005. 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 improvements, including storm drainage, in aid of those roads.

Sec. 7953.006. INITIAL DISTRICT TERRITORY.

Sec. 7953.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7953.051. GOVERNING BODY; TERMS.

Sec. 7953.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section .003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section .003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section .003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. .101. GENERAL POWERS AND DUTIES.

Sec. .102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. .103. AUTHORITY FOR ROAD PROJECTS.

Sec. .104. ROAD STANDARDS AND REQUIREMENTS.

Sec. .105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. .106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain

appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 7953.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 7953.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7953.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7953.101. GENERAL POWERS AND DUTIES.

Sec. 7953.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

Sec. 7953.103. AUTHORITY FOR ROAD PROJECTS.

Sec. 7953.104. ROAD STANDARDS AND REQUIREMENTS.

Sec. 7953.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION.

Sec. 7953.107. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain

outside the district without the written consent of the City of Conroe.

Sec. .107. EFFECT OF ANNEXATION BY CITY OF CONROE.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. .151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. .152. OPERATION AND MAINTENANCE TAX.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. .201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. .202. TAXES FOR BONDS.

Sec. .203. BONDS FOR ROAD PROJECTS.

SECTION 2. Establishes initial boundaries for the Montgomery County Municipal Utility District No. 144.

SECTION 3. (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.

outside the district without the written consent of the City of Conroe.

Sec. 7953.106. EFFECT OF ANNEXATION BY CITY OF CONROE.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7953.151. ELECTIONS REGARDING TAXES OR BONDS.

Sec. 7953.152. OPERATION AND MAINTENANCE TAX.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7953.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS.

Sec. 7953.202. TAXES FOR BONDS.

Sec. 7953.203. BONDS FOR ROAD PROJECTS.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.

SECTION 4. (a) Section _____.106, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter ____, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section _____.106 to read as follows:

Sec. _____.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. **Except as provided by Section 4 of this Act:**

(1) 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; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

SECTION 4. (a) Section 7953.107, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7953, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7953.107 to read as follows:

Sec. 7953.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. 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, 2015.