

## **BILL ANALYSIS**

Senate Research Center

S.B. 1118  
By: Creighton  
Intergovernmental Relations  
6/20/2017  
Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 1118 creates the Blaketree Municipal Utility District No. 2 of Montgomery County (district). The district will encompass approximately 452.0 acres of land located in Montgomery County. Water, sewer, drainage, and road facilities need to be secured because the land to be located within the district will be developed for residential purposes. The district is created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The district will have standard road powers and must comply with all applicable city standards. The district will have the authority to divide, and any new district created by division may not, at the time of creation, contain any land outside the initial boundaries of the district. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct facilities. It is also necessary to empower the district with authority to impose a tax and to grant the district a limited power of eminent domain.

In comparison to standard municipal utility district (MUD) creations, S.B. 1118 sets out provisions relating to the requirements and the authority for the district to divide. S.B. 1118 provides that the district may be divided into two or more new districts only if the district has no outstanding bonded debt and has not imposed an ad valorem tax. S.B. 1118 provides that Chapter 7972, Special District Local Laws Code, applies to any new district created by division and that such new district will have the same power and duties of the district. S.B. 1118 provides that the board on its own motion or on receipt of petition signed by the owner or owners of a majority of the assessed value of the real property within the district may adopt an order dividing the district, and that such order may be adopted after the confirmation election held under Section 7972.003. S.B. 1118 provides that each new district created by division must hold a confirmation and directors' election as required by Section 7972.003. S.B. 1118 provides that each new district must obtain voter approval before the district may impose a maintenance tax or issue bonds payable from ad valorem taxes.

S.B. 1118 amends current law relating to the creation of the Blaketree Municipal Utility District No. 2 of Montgomery County; grants a limited power of eminent domain; provides authority to issue bonds; and provides authority to impose assessments, fees, and taxes.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7972, as follows:

#### **CHAPTER 7972. BLAKETREE MUNICIPAL UTILITY DISTRICT NO. 2 OF MONTGOMERY COUNTY**

Sets forth standard language for the creation of the Blaketree Municipal Utility District No. 2 (district) of Montgomery County. Sets forth definitions, standards, procedures, requirements, and criteria for:

Creation, purpose, approval, and initial territory of the district (Sections 7972.001-7972.050);

Size, composition, election, and terms of the board of directors of the district, including the naming of temporary directors (Sections 7972.051-7972.100);

Powers and duties of the district (Sections 7972.101-7972.150); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7972.151-7972.203).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. Provides that all requirements of the constitution and the 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 4. (a) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7972, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7972.107, as follows:

Sec. 7972.107. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(b) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c) (relating to the power of the legislature to grant a power of eminent domain to an entity only on a two-thirds vote of all members of each house), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2017.