

BILL ANALYSIS

Senate Research Center
86R7003 AAF-F

H.B. 1935
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Intergovernmental Relations
4/27/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Fort Bend County Municipal Utility District No. 168 (district) was created in 2005 by the Texas Commission on Environmental Quality (TCEQ). The district currently encompasses 287.6289 acres. Because the district was created by TCEQ, the district only has the power to provide water, sewer and drainage facilities.

Development within the district is now about to start and a portion of the land in the district will be developed for industrial warehouse purposes with the remaining portion being developed for single-family residential purposes.

H.B. 1935 (i) grants the district standard road powers in the template form, and (ii) allows the district to be divided into two (2) or more defined areas. One defined area will include all the single-family residential development and the other defined area will encompass all of the industrial warehouse development.

Single-family residential development is a much more intensive user of water, sanitary sewer, drainage and road facilities. Industrial warehouse development is a much less intensive user of water, sanitary sewer, drainage and road facilities.

H.B. 1935 will (i) allow the district to finance roads, and (ii) allow the district to be broken into two (2) defined areas with each defined area being taxed separately based upon the tax base created within the defined area and the amount of public facilities utilized within each defined area.

H.B. 1935 amends current law relating to the powers and duties of the Fort Bend County Municipal Utility District No. 168; provides authority to issue bonds; and provides authority to impose a tax.

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 8030, as follows:

CHAPTER 8030. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 168

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8030.0001. DEFINITIONS. Defines "district" to mean the Fort Bend County Municipal Utility District No. 168 (district) and defines "board" means the district's board of directors (board) for purposes of this chapter.

Sec. 8030.0002. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(b) Provides that 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.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8030.0051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8030.0052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8030.0053. AUTHORITY FOR ROAD PROJECTS. Provides that under Section 52, Article III, Texas Constitution, the district is authorized to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8030.0054. ROAD STANDARDS AND REQUIREMENTS. (a) Requires a road project to meet all applicable construction standards and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires a road project, if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to meet all applicable construction standards and regulations of each county in which the road project is located.

(c) Requires the Texas Transportation Commission, if the state will maintain and operate the road, to approve the plans and specifications of the road project.

Sec. 8030.0055. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. Authorizes the district, notwithstanding the acreage requirement under Section 54.801(a) (relating to a minimum size for districts authorized to establish defined areas), Water Code, to define areas or designate certain property of the district as provided by Subchapter J (Services For Certain Defined Areas and Designated Property), Chapter 54, Water Code, to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8030.0101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8030.0053.

(b) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes, at the time of issuance, from exceeding one-fourth of the assessed value of the real property in the district.

Sec. 8030.0102. TAXES FOR BONDS. Requires the board, at the time the district issues bonds payable wholly or partly from ad valorem taxes, to provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 (Tax Levy For Bonds) and 54.602 (Establishment of Tax Rate in Each Year), Water Code.

SECTION 2. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. Provides that 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.

SECTION 4. Effective date: upon passage or September 1, 2019.