

BILL ANALYSIS

Senate Research Center
86R21164 SLB-F

H.B. 4686
By: Oliverson (Kolkhorst)
Intergovernmental Relations
5/11/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Harris County Municipal Utility District No. 478 (district) was created by the Texas Legislature in 2009. H.B. 4686 proposes to grant the district division powers and the power to undertake certain road projects.

Division powers allow a district to divide after it has been created. Division powers provide for flexibility in land planning over large tracts, allowing district boundaries to be established by the final land plan, rather than an arbitrary line at creation. Additionally, division powers allow for an advantageous tax structure for residents. Residents benefit by seeing their tax rates drop sooner in a smaller district.

Road infrastructure is necessary to promote the development of the area within the district.

The bill authorizes the district, subject to certain requirements, to issue bonds and other obligations and impose property taxes.

There is no known opposition to this legislation.

H.B. 4686 amends current law relating to the powers and duties of the Harris County Municipal Utility District No. 478; 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 Section 8334.005(b), Special District Local Laws Code, as follows:

(b) Provides that the Harris County Municipal Utility District No. 478 (district) is created to accomplish the purposes of:

(1) makes no changes to this subdivision; 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, rather than Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234 (Acquiring Road Powers), Water Code, or improvements, including storm drainage, in aid of those roads.

SECTION 2. Amends Section 8334.103(a), Special District Local Laws Code, to make a conforming change.

SECTION 3. Amends Subchapter C, Chapter 8334, Special District Local Laws Code, by adding Sections 8334.1035 and 8334.107, as follows:

Sec. 8334.1035. ROAD STANDARDS AND REQUIREMENTS. (a) Requires a road project to meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires the road project, if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to meet all applicable construction standards, subdivision requirements, 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. 8334.107. DIVISION OF DISTRICT. (a) Authorizes the district to be divided into two or more new districts only if the district:

(1) has never issued any bonds; and

(2) is not imposing ad valorem taxes.

(b) Provides that this chapter applies to any new district created by the division of the district, and provides that a new district has all the powers and duties of the district.

(c) Prohibits any new district created by the division of the district from, at the time the new district is created, containing any land outside the area described by Section 2 of the Act enacting this chapter (Harris County Municipal Utility District No. 478).

(d) Authorizes the board of directors of the district, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Requires an order dividing the district to:

(1) name each new district;

(2) include the metes and bounds description of the territory of each new district;

(3) appoint temporary directors for each new district; and

(4) provide for the division of assets and liabilities between or among the new districts.

(f) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with the Texas Commission on Environmental Quality (TCEQ) and record the order in the real property records of each county in which the district is located.

(g) Requires any new district created by the division of the district to hold a confirmation and directors' election as required by Section 49.102 (Confirmation and Director Election), Water Code.

(h) Provides that municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8334.004 (Consent of

Municipality Required) acts as municipal consent to the creation of any new district under this section and the inclusion of land in the new district.

(i) Requires any new district created by the division of the district to hold an election as required by this chapter to obtain voter approval before the district is authorized to impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(j) Requires the new district, if the creation of the new district is confirmed, to provide the election date and results to the TCEQ.

SECTION 4. Repealer: Section 8334.003 (Confirmation and Directors' Election Required), Special District Local Laws Code.

Repealer: Section 8334.103(b) (relating to authorizing the district to exercise the powers provided by this section without submitting a petition to or obtaining approval from TCEQ), Special District Local Laws Code.

Repealer: Section 8334.104 (Approval of Road Project), Special District Local Laws Code.

SECTION 5. 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 6. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 7. 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 8. Effective date: upon passage or September 1, 2019.