

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 4580
By: Metcalf (Creighton)
Local Government
5/19/2021
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4580 creates Montgomery County Municipal Utility District No. 202 (district). The district will encompass approximately 1,310.863 acres of land located within Montgomery County, Texas. The district is located within the corporate limits and extraterritorial jurisdiction of the City of Conroe, Texas (city). The city issued a Resolution Supporting Special Legislation for the creation of the district on February 11, 2021.

H.B. 4580 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes. H.B. 4580 follows the template in all regards, except that it provides:

- (i) the district with the authority to divide into two or more districts; and
- (ii) that if all or part of the territory of the district is annexed by the city into the city's corporate limits, the district retains all of the district's outstanding debt and obligations and is not dissolved.

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 road standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the 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. The bill provides for the creation, administration, powers, duties, operation, and financing of the district.

(Original Author's/Sponsor's Statement of Intent)

C.S.H.B. 4580 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 202, 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 8051, as follows:

CHAPTER 8051. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 202

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 202 (district). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district and election of permanent directors (Sections 8051.0101-8051.0106);

Size, composition, and terms of the board of directors of the district (Sections 8051.0201-8051.0202);

Powers and duties of the district (Sections 8051.0301-8051.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 8051.0401-8051.0503).

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 8051, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8051.0307, as follows:

Sec. 8051.0307. 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), Article I, Texas Constitution.

SECTION 5. Effective date: September 1, 2021.