

## **BILL ANALYSIS**

Senate Research Center

S.B. 2162  
By: Creighton  
Local Government  
6/2/2021  
Enrolled

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

S.B. 2162 creates Harris County Municipal Utility District No. 578 (district). The district will encompass approximately 143.34 acres of land located within Harris County, Texas.

The district is located within the extraterritorial jurisdiction of the City of Houston, Texas. S.B. 2162 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.

S.B. 2162 follows the template in all regards, except the drafters have worked with Harris County to include language clarifying if any road project is located both within and outside of the corporate limits of a municipality, the road project must meet all applicable construction standards and regulations of each city for any segment of roadway located within the corporate limits, and all applicable construction standards and regulations of the county for any segment of roadway outside of the corporate limits in which the road project is located.

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.

S.B. 2162 amends current law relating to the creation of the Harris County Municipal Utility District No. 578, 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 7914A, as follows:

#### **CHAPTER 7914A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 578**

Sets forth standard language for the creation of the Harris County Municipal Utility District No. 578 (district) in Harris County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of and public purpose for the district (Sections 7914A.0101-7914A.0106);

Size, composition, appointment, and compensation and reimbursement of expenses for the board of directors, including composition of the initial district (Sections 7914A.0201-7914A.0202);

Powers and duties of the district (Sections 7914A.0301-7914A.0305); and

General financial provisions and authority to impose a tax and issue bonds and obligations for the district (Sections 7914A.0401-7914A.0503).

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

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. (a) Provides that, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7914A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7914A.0306, as follows:

Sec. 7914A.0306. 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: upon passage or September 1, 2021.