

1-1 By: Harless (Senate Sponsor - Bettencourt) H.B. No. 4646
1-2 (In the Senate - Received from the House May 6, 2019;
1-3 May 6, 2019, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 15, 2019, reported favorably by
1-5 the following vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the powers and duties of the Cy-Champ Public Utility
1-18 District; providing authority to issue bonds; providing authority
1-19 to impose a tax.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Sections 8178.003(b) and (c), Special District
1-22 Local Laws Code, are amended to read as follows:

1-23 (b) All land and other property included in the boundaries
1-24 of the district will benefit from the works and projects
1-25 accomplished by the district under the powers conferred by Section
1-26 59, Article XVI, Texas Constitution, and Section 52, Article III,
1-27 Texas Constitution.

1-28 (c) The creation of the district is essential to accomplish
1-29 the purposes of:

1-30 (1) a municipal utility district as provided by
1-31 general law and Section 59, Article XVI, Texas Constitution; and

1-32 (2) Section 52, Article III, Texas Constitution, that
1-33 relate to the construction, acquisition, improvement, operation,
1-34 or maintenance of macadamized, graveled, or paved roads, or
1-35 improvements, including storm drainage, in aid of those roads.

1-36 SECTION 2. Subchapter C, Chapter 8178, Special District
1-37 Local Laws Code, is amended by adding Sections 8178.102, 8178.103,
1-38 8178.104, and 8178.105 to read as follows:

1-39 Sec. 8178.102. AUTHORITY FOR ROAD PROJECTS. Under Section
1-40 52, Article III, Texas Constitution, the district may design,
1-41 acquire, construct, finance, issue bonds for, improve, operate,
1-42 maintain, and convey to this state, a county, or a municipality for
1-43 operation and maintenance macadamized, graveled, or paved roads, or
1-44 improvements, including storm drainage, in aid of those roads.

1-45 Sec. 8178.103. ROAD STANDARDS AND REQUIREMENTS. (a) A road
1-46 project must meet all applicable construction standards, zoning and
1-47 subdivision requirements, and regulations of each municipality in
1-48 whose corporate limits or extraterritorial jurisdiction the road
1-49 project is located.

1-50 (b) If a road project is not located in the corporate limits
1-51 or extraterritorial jurisdiction of a municipality, the road
1-52 project must meet all applicable construction standards,
1-53 subdivision requirements, and regulations of each county in which
1-54 the road project is located.

1-55 (c) If the state will maintain and operate the road, the
1-56 Texas Transportation Commission must approve the plans and
1-57 specifications of the road project.

1-58 Sec. 8178.104. AUTHORITY TO ESTABLISH DEFINED AREAS.
1-59 Notwithstanding the acreage requirement under Section 54.801(a),
1-60 Water Code, the district may establish and administer defined areas
1-61 as provided by Subchapter J, Chapter 54, Water Code.

2-1 Sec. 8178.105. ADDITION OR EXCLUSION OF LAND IN DEFINED
2-2 AREA. The district may add or exclude land from the defined areas
2-3 in the same manner the district may add or exclude land from the
2-4 district.

2-5 SECTION 3. Chapter 8178, Special District Local Laws Code,
2-6 is amended by adding Subchapter D to read as follows:

2-7 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS

2-8 Sec. 8178.151. AUTHORITY TO ISSUE BONDS AND OTHER
2-9 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or
2-10 other obligations payable wholly or partly from ad valorem taxes,
2-11 impact fees, revenue, contract payments, grants, or other district
2-12 money, or any combination of those sources, to pay for a road
2-13 project authorized by Section 8178.102.

2-14 (b) The district may not issue bonds payable from ad valorem
2-15 taxes to finance a road project unless the issuance is approved by a
2-16 vote of a two-thirds majority of the district voters voting at an
2-17 election held for that purpose.

2-18 (c) At the time of issuance, the total principal amount of
2-19 outstanding bonds or other obligations issued or incurred to
2-20 finance road projects and payable from ad valorem taxes may not
2-21 exceed one-fourth of the assessed value of the real property in the
2-22 district.

2-23 Sec. 8178.152. TAXES FOR ROAD BONDS. At the time the
2-24 district issues bonds for road projects payable wholly or partly
2-25 from ad valorem taxes, the district shall provide for the annual
2-26 imposition of a continuing direct ad valorem tax, without limit as
2-27 to rate or amount, while all or part of the bonds are outstanding as
2-28 required and in the manner provided by Sections 54.601 and 54.602,
2-29 Water Code.

2-30 SECTION 4. The Cy-Champ Public Utility District retains all
2-31 the rights, powers, privileges, authority, duties, and functions
2-32 that it had before the effective date of this Act.

2-33 SECTION 5. (a) The legislature validates and confirms all
2-34 governmental acts and proceedings of the board of directors of the
2-35 Cy-Champ Public Utility District that were taken before the
2-36 effective date of this Act.

2-37 (b) This section does not apply to any matter that on the
2-38 effective date of this Act:

2-39 (1) is involved in litigation if the litigation
2-40 ultimately results in the matter being held invalid by a final court
2-41 judgment; or

2-42 (2) has been held invalid by a final court judgment.

2-43 SECTION 6. (a) The legal notice of the intention to
2-44 introduce this Act, setting forth the general substance of this
2-45 Act, has been published as provided by law, and the notice and a
2-46 copy of this Act have been furnished to all persons, agencies,
2-47 officials, or entities to which they are required to be furnished
2-48 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2-49 Government Code.

2-50 (b) The governor, one of the required recipients, has
2-51 submitted the notice and Act to the Texas Commission on
2-52 Environmental Quality.

2-53 (c) The Texas Commission on Environmental Quality has filed
2-54 its recommendations relating to this Act with the governor, the
2-55 lieutenant governor, and the speaker of the house of
2-56 representatives within the required time.

2-57 (d) All requirements of the constitution and laws of this
2-58 state and the rules and procedures of the legislature with respect
2-59 to the notice, introduction, and passage of this Act are fulfilled
2-60 and accomplished.

2-61 SECTION 7. This Act takes effect immediately if it receives
2-62 a vote of two-thirds of all the members elected to each house, as
2-63 provided by Section 39, Article III, Texas Constitution. If this
2-64 Act does not receive the vote necessary for immediate effect, this
2-65 Act takes effect September 1, 2019.

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