

1-1 By: King of Parker (Senate Sponsor - Springer) H.B. No. 2835  
 1-2 (In the Senate - Received from the House May 10, 2021;  
 1-3 May 10, 2021, read first time and referred to Committee on Local  
 1-4 Government; May 20, 2021, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 0; May 20, 2021, 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	X			
1-16			X	

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the powers and duties of the Morningstar Ranch  
 1-20 Municipal Utility District No. 1; providing authority to impose a  
 1-21 tax and issue bonds.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-24 Code, is amended by adding Chapter 8490 to read as follows:

1-25 CHAPTER 8490. MORNINGSTAR RANCH MUNICIPAL UTILITY DISTRICT NO. 1

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 8490.0101. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "District" means the Morningstar Ranch Municipal  
 1-30 Utility District No. 1.

1-31 Sec. 8490.0102. NATURE AND PURPOSES OF DISTRICT. (a) The  
 1-32 district is a municipal utility district created under Section 59,  
 1-33 Article XVI, Texas Constitution.

1-34 (b) The district is created to accomplish the purposes of:

1-35 (1) a municipal utility district as provided by  
 1-36 general law and Section 59, Article XVI, Texas Constitution; and

1-37 (2) Section 52, Article III, Texas Constitution, that  
 1-38 relate to the construction, acquisition, improvement, operation,  
 1-39 or maintenance of macadamized, graveled, or paved roads, or  
 1-40 improvements, including storm drainage, in aid of those roads.

1-41 SUBCHAPTER B. POWERS AND DUTIES

1-42 Sec. 8490.0201. GENERAL POWERS AND DUTIES. The district  
 1-43 has the powers and duties necessary to accomplish the purposes for  
 1-44 which the district is created.

1-45 Sec. 8490.0202. MUNICIPAL UTILITY DISTRICT POWERS AND  
 1-46 DUTIES. The district has the powers and duties provided by the  
 1-47 general law of this state, including Chapters 49 and 54, Water Code,  
 1-48 applicable to municipal utility districts created under Section 59,  
 1-49 Article XVI, Texas Constitution.

1-50 Sec. 8490.0203. AUTHORITY FOR ROAD PROJECTS. Under Section  
 1-51 52, Article III, Texas Constitution, the district may design,  
 1-52 acquire, construct, finance, issue bonds for, improve, operate,  
 1-53 maintain, and convey to this state, a county, or a municipality for  
 1-54 operation and maintenance macadamized, graveled, or paved roads, or  
 1-55 improvements, including storm drainage, in aid of those roads.

1-56 Sec. 8490.0204. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 1-57 road project must meet all applicable construction standards and  
 1-58 regulations of each municipality in whose corporate limits or  
 1-59 extraterritorial jurisdiction the road project is located.

1-60 (b) If a road project is not located in the corporate limits  
 1-61 or extraterritorial jurisdiction of a municipality, the road

2-1 project must meet all applicable construction standards and  
2-2 regulations of each county in which the road project is located.

2-3 (c) If the state will maintain and operate the road, the  
2-4 Texas Transportation Commission must approve the plans and  
2-5 specifications of the road project.

2-6 Sec. 8490.0205. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
2-7 DESIGNATED PROPERTY. Notwithstanding the acreage requirement  
2-8 under Section 54.801(a), Water Code, the district may define areas  
2-9 or designate certain property of the district as provided by  
2-10 Subchapter J, Chapter 54, Water Code, to pay for improvements,  
2-11 facilities, or services that primarily benefit that area or  
2-12 property and do not generally and directly benefit the district as a  
2-13 whole. Notwithstanding any other provision of law, a defined area  
2-14 may include a noncontiguous tract.

2-15 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

2-16 Sec. 8490.0301. AUTHORITY TO ISSUE BONDS AND OTHER  
2-17 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
2-18 other obligations payable wholly or partly from ad valorem taxes,  
2-19 revenue, contract payments, grants, or other district money, or any  
2-20 combination of those sources, to pay for a road project authorized  
2-21 by Section 8490.0203.

2-22 (b) The district may not issue bonds payable from ad valorem  
2-23 taxes to finance a road project unless the issuance is approved by a  
2-24 vote of a two-thirds majority of the district voters voting at an  
2-25 election held for that purpose.

2-26 (c) At the time of issuance, the total principal amount of  
2-27 bonds or other obligations issued or incurred to finance road  
2-28 projects and payable from ad valorem taxes may not exceed  
2-29 one-fourth of the assessed value of the real property in the  
2-30 district.

2-31 Sec. 8490.0302. TAXES FOR BONDS. At the time the district  
2-32 issues bonds payable wholly or partly from ad valorem taxes, the  
2-33 board shall provide for the annual imposition of a continuing  
2-34 direct ad valorem tax, without limit as to rate or amount, while all  
2-35 or part of the bonds are outstanding as required and in the manner  
2-36 provided by Sections 54.601 and 54.602, Water Code.

2-37 SECTION 2. The Morningstar Ranch Municipal Utility District  
2-38 No. 1 retains all rights, powers, privileges, authority, duties,  
2-39 and functions that it had before the effective date of this Act.

2-40 SECTION 3. (a) The legal notice of the intention to  
2-41 introduce this Act, setting forth the general substance of this  
2-42 Act, has been published as provided by law, and the notice and a  
2-43 copy of this Act have been furnished to all persons, agencies,  
2-44 officials, or entities to which they are required to be furnished  
2-45 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
2-46 Government Code.

2-47 (b) The governor, one of the required recipients, has  
2-48 submitted the notice and Act to the Texas Commission on  
2-49 Environmental Quality.

2-50 (c) The Texas Commission on Environmental Quality has filed  
2-51 its recommendations relating to this Act with the governor, the  
2-52 lieutenant governor, and the speaker of the house of  
2-53 representatives within the required time.

2-54 (d) All requirements of the constitution and laws of this  
2-55 state and the rules and procedures of the legislature with respect  
2-56 to the notice, introduction, and passage of this Act are fulfilled  
2-57 and accomplished.

2-58 SECTION 4. This Act takes effect immediately if it receives  
2-59 a vote of two-thirds of all the members elected to each house, as  
2-60 provided by Section 39, Article III, Texas Constitution. If this  
2-61 Act does not receive the vote necessary for immediate effect, this  
2-62 Act takes effect September 1, 2021.

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