

1-1 By: Creighton S.B. No. 2216
 1-2 (In the Senate - Filed April 16, 2021; April 19, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 27, 2021, reported favorably by the following vote: Yeas 8,
 1-5 Nays 0; April 27, 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 East Montgomery County
 1-20 Municipal Utility District No. 14; providing authority to issue
 1-21 bonds; providing authority to impose assessments, fees, and taxes.

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

1-23 SECTION 1. Section 8118.002, Special District Local Laws
 1-24 Code, is amended to read as follows:

1-25 Sec. 8118.002. NATURE AND PURPOSES OF DISTRICT. (a) The
 1-26 district is ~~[a municipal utility district in Montgomery County]~~
 1-27 created to serve a public purpose and benefit [under and essential
 1-28 to accomplish the purposes of Section 59, Article XVI, Texas
 1-29 Constitution].

1-30 (b) The district is created to accomplish the purposes of:

1-31 (1) a municipal utility district as provided by
 1-32 general law and Section 59, Article XVI, Texas Constitution; and

1-33 (2) Section 52, Article III, Texas Constitution, that
 1-34 relate to the construction, acquisition, improvement, operation,
 1-35 or maintenance of macadamized, graveled, or paved roads, or
 1-36 improvements, including storm drainage, in aid of those roads.

1-37 SECTION 2. Subchapter C, Chapter 8118, Special District
 1-38 Local Laws Code, is amended by adding Sections 8118.104, 8118.105,
 1-39 8118.106, 8118.107, and 8118.108 to read as follows:

1-40 Sec. 8118.104. GENERAL POWERS AND DUTIES. The district has
 1-41 the powers and duties necessary to accomplish the purposes for
 1-42 which the district is created.

1-43 Sec. 8118.105. MUNICIPAL UTILITY DISTRICT POWERS AND
 1-44 DUTIES. The district has the powers and duties provided by the
 1-45 general law of this state, including Chapters 49 and 54, Water Code,
 1-46 applicable to municipal utility districts created under Section 59,
 1-47 Article XVI, Texas Constitution.

1-48 Sec. 8118.106. AUTHORITY FOR ROAD PROJECTS. Under Section
 1-49 52, Article III, Texas Constitution, the district may design,
 1-50 acquire, construct, finance, issue bonds for, improve, operate,
 1-51 maintain, and convey to this state, a county, or a municipality for
 1-52 operation and maintenance macadamized, graveled, or paved roads, or
 1-53 improvements, including storm drainage, in aid of those roads.

1-54 Sec. 8118.107. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 1-55 project must meet all applicable construction standards, zoning and
 1-56 subdivision requirements, and regulations of each municipality in
 1-57 whose corporate limits or extraterritorial jurisdiction the road

2-1 project is located.
2-2 (b) If a road project is not located in the corporate limits
2-3 or extraterritorial jurisdiction of a municipality, the road
2-4 project must meet all applicable construction standards,
2-5 subdivision requirements, and regulations of each county in which
2-6 the road project is located.
2-7 (c) If the state will maintain and operate the road, the
2-8 Texas Transportation Commission must approve the plans and
2-9 specifications of the road project.
2-10 Sec. 8118.108. DIVISION OF DISTRICT. (a) The district may
2-11 be divided into two or more new districts only if the district:
2-12 (1) has never issued any bonds; and
2-13 (2) is not imposing ad valorem taxes.
2-14 (b) This chapter applies to any new district created by the
2-15 division of the district, and a new district has all the powers and
2-16 duties of the district.
2-17 (c) Any new district created by the division of the district
2-18 may not, at the time the new district is created, contain any land
2-19 outside the area of the district as it existed on January 1, 2021.
2-20 (d) The board, on its own motion or on receipt of a petition
2-21 signed by the owner or owners of a majority of the assessed value of
2-22 the real property in the district, may adopt an order dividing the
2-23 district.
2-24 (e) The board may adopt an order dividing the district
2-25 before or after the date the board holds an election under Section
2-26 49.102, Water Code, to confirm the creation of the district.
2-27 (f) An order dividing the district shall:
2-28 (1) name each new district;
2-29 (2) include the metes and bounds description of the
2-30 territory of each new district;
2-31 (3) appoint temporary directors for each new district;
2-32 and
2-33 (4) provide for the division of assets and liabilities
2-34 between or among the new districts.
2-35 (g) On or before the 30th day after the date of adoption of
2-36 an order dividing the district, the district shall file the order
2-37 with the commission and record the order in the real property
2-38 records of each county in which the district is located.
2-39 (h) Any new district created by the division of the district
2-40 shall hold a confirmation and directors' election as required by
2-41 Section 49.102, Water Code.
2-42 (i) If the creation of the new district is confirmed, the
2-43 new district shall provide the election date and results to the
2-44 Texas Commission on Environmental Quality.
2-45 (j) Any new district created by the division of the district
2-46 must hold an election as required by Section 49.107, Water Code, and
2-47 this chapter to obtain voter approval before the district may
2-48 impose a maintenance tax or issue bonds payable wholly or partly
2-49 from ad valorem taxes.
2-50 (k) Municipal consent to the creation of the district and to
2-51 the inclusion of land in the district acts as municipal consent to
2-52 the creation of any new district created by the division of the
2-53 district and to the inclusion of land in the new district.
2-54 SECTION 3. Chapter 8118, Special District Local Laws Code,
2-55 is amended by adding Subchapters D and E to read as follows:
2-56 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
2-57 Sec. 8118.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
2-58 district may issue, without an election, bonds and other
2-59 obligations secured by:
2-60 (1) revenue other than ad valorem taxes; or
2-61 (2) contract payments described by Section 8118.153.
2-62 (b) The district must hold an election in the manner
2-63 provided by Chapters 49 and 54, Water Code, to obtain voter approval
2-64 before the district may impose an ad valorem tax or issue bonds
2-65 payable from ad valorem taxes.
2-66 (c) The district may not issue bonds payable from ad valorem
2-67 taxes to finance a road project unless the issuance is approved by a
2-68 vote of a two-thirds majority of the district voters voting at an
2-69 election held for that purpose.

3-1 Sec. 8118.152. OPERATION AND MAINTENANCE TAX. (a) If
3-2 authorized at an election held under Section 8118.151, the district
3-3 may impose an operation and maintenance tax on taxable property in
3-4 the district in accordance with Section 49.107, Water Code.

3-5 (b) The board shall determine the tax rate. The rate may not
3-6 exceed the rate approved at the election.

3-7 Sec. 8118.153. CONTRACT TAXES. (a) In accordance with
3-8 Section 49.108, Water Code, the district may impose a tax other than
3-9 an operation and maintenance tax and use the revenue derived from
3-10 the tax to make payments under a contract after the provisions of
3-11 the contract have been approved by a majority of the district voters
3-12 voting at an election held for that purpose.

3-13 (b) A contract approved by the district voters may contain a
3-14 provision stating that the contract may be modified or amended by
3-15 the board without further voter approval.

3-16 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-17 Sec. 8118.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-18 OBLIGATIONS. The district may issue bonds or other obligations
3-19 payable wholly or partly from ad valorem taxes, impact fees,
3-20 revenue, contract payments, grants, or other district money, or any
3-21 combination of those sources, to pay for any authorized district
3-22 purpose.

3-23 Sec. 8118.202. TAXES FOR BONDS. At the time the district
3-24 issues bonds payable wholly or partly from ad valorem taxes, the
3-25 board shall provide for the annual imposition of a continuing
3-26 direct ad valorem tax, without limit as to rate or amount, while all
3-27 or part of the bonds are outstanding as required and in the manner
3-28 provided by Sections 54.601 and 54.602, Water Code.

3-29 Sec. 8118.203. BONDS FOR ROAD PROJECTS. At the time of
3-30 issuance, the total principal amount of bonds or other obligations
3-31 issued or incurred to finance road projects and payable from ad
3-32 valorem taxes may not exceed one-fourth of the assessed value of the
3-33 real property in the district.

3-34 SECTION 4. Sections 8118.022, 8118.023, 8118.024,
3-35 8118.025, and 8118.052, Special District Local Laws Code, are
3-36 repealed.

3-37 SECTION 5. The East Montgomery County Municipal Utility
3-38 District No. 14 retains all the rights, powers, privileges,
3-39 authority, duties, and functions that it had before the effective
3-40 date of this Act.

3-41 SECTION 6. (a) The legislature validates and confirms all
3-42 governmental acts and proceedings of the East Montgomery County
3-43 Municipal Utility District No. 14 that were taken before the
3-44 effective date of this Act.

3-45 (b) This section does not apply to any matter that on the
3-46 effective date of this Act:

3-47 (1) is involved in litigation if the litigation
3-48 ultimately results in the matter being held invalid by a final court
3-49 judgment; or

3-50 (2) has been held invalid by a final court judgment.

3-51 SECTION 7. (a) The legal notice of the intention to
3-52 introduce this Act, setting forth the general substance of this
3-53 Act, has been published as provided by law, and the notice and a
3-54 copy of this Act have been furnished to all persons, agencies,
3-55 officials, or entities to which they are required to be furnished
3-56 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-57 Government Code.

3-58 (b) The governor, one of the required recipients, has
3-59 submitted the notice and Act to the Texas Commission on
3-60 Environmental Quality.

3-61 (c) The Texas Commission on Environmental Quality has filed
3-62 its recommendations relating to this Act with the governor, the
3-63 lieutenant governor, and the speaker of the house of
3-64 representatives within the required time.

3-65 (d) All requirements of the constitution and laws of this
3-66 state and the rules and procedures of the legislature with respect
3-67 to the notice, introduction, and passage of this Act are fulfilled
3-68 and accomplished.

3-69 SECTION 8. This Act takes effect immediately if it receives

4-1 a vote of two-thirds of all the members elected to each house, as
4-2 provided by Section 39, Article III, Texas Constitution. If this
4-3 Act does not receive the vote necessary for immediate effect, this
4-4 Act takes effect September 1, 2021.

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