

1-1 By: Metcalf (Senate Sponsor - Creighton) H.B. No. 5396  
 1-2 (In the Senate - Received from the House May 15, 2023;  
 1-3 May 15, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 19, 2023, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 19, 2023, 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 Stanley Lake Municipal  
 1-20 Utility District; providing authority to issue bonds; providing  
 1-21 authority to impose fees and taxes.

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 7983A to read as follows:

1-25 CHAPTER 7983A. STANLEY LAKE MUNICIPAL UTILITY DISTRICT

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 7983A.0101. DEFINITIONS. In this chapter:

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

1-29 (2) "District" means the Stanley Lake Municipal  
 1-30 Utility District.

1-31 Sec. 7983A.0102. NATURE OF DISTRICT. The district is a  
 1-32 municipal utility district created under Section 59, Article XVI,  
 1-33 Texas Constitution.

1-34 Sec. 7983A.0103. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-35 (a) The district is created to serve a public purpose and benefit.

1-36 (b) The district is created to accomplish the purposes of:

1-37 (1) a municipal utility district as provided by  
 1-38 general law and Section 59, Article XVI, Texas Constitution; and

1-39 (2) Section 52, Article III, Texas Constitution, that  
 1-40 relate to the construction, acquisition, improvement, operation,  
 1-41 or maintenance of macadamized, graveled, or paved roads, or  
 1-42 improvements, including storm drainage, in aid of those roads.

1-43 SUBCHAPTER B. POWERS AND DUTIES

1-44 Sec. 7983A.0201. GENERAL POWERS AND DUTIES. (a) The  
 1-45 district has the powers and duties necessary to accomplish the  
 1-46 purposes for which the district is created.

1-47 (b) The district has the powers and duties provided by the  
 1-48 general law of this state, including Chapters 49 and 54, Water Code,  
 1-49 applicable to municipal utility districts created under Section 59,  
 1-50 Article XVI, Texas Constitution.

1-51 Sec. 7983A.0202. AUTHORITY FOR ROAD PROJECTS. Under  
 1-52 Section 52, Article III, Texas Constitution, the district may  
 1-53 design, acquire, construct, finance, issue bonds for, improve,  
 1-54 operate, maintain, and convey to this state, a county, or a  
 1-55 municipality for operation and maintenance macadamized, graveled,  
 1-56 or paved roads, or improvements, including storm drainage, in aid  
 1-57 of those roads.

1-58 Sec. 7983A.0203. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 1-59 road project must meet all applicable construction standards,  
 1-60 zoning and subdivision requirements, and regulations of each  
 1-61 municipality in whose corporate limits or extraterritorial

2-1 jurisdiction the road 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 SUBCHAPTER C. DEFINED AREAS

2-11 Sec. 7983A.0301. AUTHORITY TO ESTABLISH DEFINED AREAS OR  
 2-12 DESIGNATED PROPERTY. The district may define areas or designate  
 2-13 certain property of the district to pay for improvements,  
 2-14 facilities, or services that primarily benefit that area or  
 2-15 property and do not generally and directly benefit the district as a  
 2-16 whole.

2-17 Sec. 7983A.0302. PROCEDURE FOR ELECTION. (a) Before the  
 2-18 district may impose an ad valorem tax applicable only to the defined  
 2-19 area or designated property or issue bonds payable from ad valorem  
 2-20 taxes of the defined area or designated property, the board shall  
 2-21 hold an election in the defined area or in the designated property  
 2-22 only.

2-23 (b) The board may submit the issues to the voters on the same  
 2-24 ballot to be used in another election.

2-25 Sec. 7983A.0303. DECLARING RESULT AND ISSUING ORDER. (a)  
 2-26 If a majority of the voters voting at the election approve the  
 2-27 proposition or propositions, the board shall declare the results  
 2-28 and, by order, shall establish the defined area and describe it by  
 2-29 metes and bounds or designate the specific property.

2-30 (b) A court may not review the board's order except on the  
 2-31 ground of fraud, palpable error, or arbitrary and confiscatory  
 2-32 abuse of discretion.

2-33 Sec. 7983A.0304. TAXES FOR SERVICES, IMPROVEMENTS, AND  
 2-34 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter  
 2-35 approval and adoption of the order described by Section 7983A.0303,  
 2-36 the district may apply separately, differently, equitably, and  
 2-37 specifically its taxing power and lien authority to the defined  
 2-38 area or designated property to provide money to construct,  
 2-39 administer, maintain, and operate services, improvements, and  
 2-40 facilities that primarily benefit the defined area or designated  
 2-41 property.

2-42 Sec. 7983A.0305. ISSUANCE OF BONDS FOR DEFINED AREA OR  
 2-43 DESIGNATED PROPERTY. After the order under Section 7983A.0303 is  
 2-44 adopted, the district may issue bonds to provide for any land,  
 2-45 improvements, facilities, plants, equipment, and appliances for  
 2-46 the defined area or designated property.

#### 2-47 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

2-48 Sec. 7983A.0401. AUTHORITY TO ISSUE BONDS AND OTHER  
 2-49 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
 2-50 other obligations payable wholly or partly from ad valorem taxes,  
 2-51 impact fees, revenue, contract payments, grants, or other district  
 2-52 money, or any combination of those sources, to pay for a road  
 2-53 project authorized by Section 7983A.0202.

2-54 (b) The district may not issue bonds payable from ad valorem  
 2-55 taxes to finance a road project unless the issuance is approved by a  
 2-56 vote of a two-thirds majority of the district voters voting at an  
 2-57 election held for that purpose.

2-58 Sec. 7983A.0402. TAXES FOR BONDS. At the time the district  
 2-59 issues bonds payable wholly or partly from ad valorem taxes, the  
 2-60 board shall provide for the annual imposition of a continuing  
 2-61 direct ad valorem tax, without limit as to rate or amount, while all  
 2-62 or part of the bonds are outstanding as required and in the manner  
 2-63 provided by Sections 54.601 and 54.602, Water Code.

2-64 Sec. 7983A.0403. BONDS FOR ROAD PROJECTS. At the time of  
 2-65 issuance, the total principal amount of bonds or other obligations  
 2-66 issued or incurred to finance road projects and payable from ad  
 2-67 valorem taxes may not exceed one-fourth of the assessed value of the  
 2-68 real property in the district.

2-69 SECTION 2. The Stanley Lake Municipal Utility District

3-1 retains all rights, powers, privileges, authority, duties, and  
3-2 functions that it had before the effective date of this Act.

3-3 SECTION 3. (a) The legislature validates and confirms all  
3-4 governmental acts and proceedings of the Stanley Lake Municipal  
3-5 Utility District that were taken before the effective date of this  
3-6 Act.

3-7 (b) This section does not apply to any matter that on the  
3-8 effective date of this Act:

3-9 (1) is involved in litigation if the litigation  
3-10 ultimately results in the matter being held invalid by a final court  
3-11 judgment; or

3-12 (2) has been held invalid by a final court judgment.

3-13 SECTION 4. (a) The legal notice of the intention to  
3-14 introduce this Act, setting forth the general substance of this  
3-15 Act, has been published as provided by law, and the notice and a  
3-16 copy of this Act have been furnished to all persons, agencies,  
3-17 officials, or entities to which they are required to be furnished  
3-18 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
3-19 Government Code.

3-20 (b) The governor, one of the required recipients, has  
3-21 submitted the notice and Act to the Texas Commission on  
3-22 Environmental Quality.

3-23 (c) The Texas Commission on Environmental Quality has filed  
3-24 its recommendations relating to this Act with the governor, the  
3-25 lieutenant governor, and the speaker of the house of  
3-26 representatives within the required time.

3-27 (d) All requirements of the constitution and laws of this  
3-28 state and the rules and procedures of the legislature with respect  
3-29 to the notice, introduction, and passage of this Act are fulfilled  
3-30 and accomplished.

3-31 SECTION 5. This Act takes effect immediately if it receives  
3-32 a vote of two-thirds of all the members elected to each house, as  
3-33 provided by Section 39, Article III, Texas Constitution. If this  
3-34 Act does not receive the vote necessary for immediate effect, this  
3-35 Act takes effect September 1, 2023.

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