

## **BILL ANALYSIS**

Senate Research Center

S.B. 1878  
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Intergovernmental Relations  
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As Filed

### **DIGEST**

Currently, a municipal utility district (district) cannot issue bonds or use existing bond proceeds for repairs and maintenance of streets. While some counties may not be able to repair all streets requiring maintenance, some districts may have excess bond funds from bonded projects that could be used to repair streets. This bill allows districts that have existed for at least 10 years to issue bonds and use existing bond revenue to repair streets within the district.

### **PURPOSE**

As proposed, S.B. 1878 allows municipal utility districts that have existed for at least 10 years to issue bonds and use existing bond revenue to repair streets within the district.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 54D, Water Code, by adding Section 54.242, as follows:

Sec. 54.242. STREET REPAIR OR MAINTENANCE. Authorizes a municipal utility district (district) created by general law or special act of the legislature in existence for at least 10 years to repair or maintain a street within the district as provided by Section 54.522.

SECTION 2. Amends Chapter 54F, Water Code, by adding Section 54.522, as follows:

Sec. 54.522. BONDS FOR STREET REPAIR OR MAINTENANCE. Sets forth the findings of the legislature regarding the condition of streets. Provides that it is the policy of the state to authorize a district in certain circumstances to take action necessary to prevent the condition of a street within the district from adversely affecting certain matters that may impede a district's ability to accomplish its purposes. Sets forth actions certain districts may take regarding the issuance of bonds or the use of proceeds from bonds. Requires an election required by this section to be held on the uniform election date in November as authorized by Section 41.001, Election Code. Authorizes an election under this section to be held on the date of the general election for state and county officers, notwithstanding Section 41.003, Election Code.

SECTION 3. Emergency clause.  
Effective date: upon passage.