

BILL ANALYSIS

Senate Research Center
79R6428 HLT-F

S.B. 1884
By: Ellis
Intergovernmental Relations
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As proposed, S.B. 1884 creates a municipality utility district (MUD) in the Minitex area of the City of Houston. S.B. 1884 allows the district to impose taxes, establish the validity of the districts bonds, notes, or indebtedness and recognize the legality of the MUDs operation. The district may construct, acquire, improve, maintain, or operate macadamized, gaveled, or paved roads. S.B. 1884 provides for five members to be elected to the board of directors.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 8124, as follows:

CHAPTER 8124. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 460

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8124.001 DEFINITIONS. Defines "board," "director," and "district."

Sec. 8124.002. NATURE OF DISTRICT. Provides that the Harris County Municipal Utility District No. 460 (district) is a municipality utility district in Harris County created under and essential to accomplish the purposes of Sections 52 (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III, and Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI, Texas Constitution.

Sec. 8124.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held under Section 8124.023 before September 1, 2007, then certain actions occur.

Sec. 8124.004. INITIAL DISTRICT TERRITORY. (a) Provides that the district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) Provides that the boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. Provides that the district is not negatively affected by a mistake made in the field notes or in copying the filed notes in the legislative process.

Sec. 8124.005. APPLICABILITY OF OTHER LAW. Provides that Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, apply to the district.

[Reserves Sections 8124.006-8124.020 for expansion.]

SUBCHAPTER A1. TEMPORARY PROVISIONS

Sec. 8124.021. TEMPORARY DIRECTORS. (a) Authorizes a person who owns land inside the boundaries the district, on or after September 1, 2005, to petition the Texas Commission on Environmental Quality (commission) requesting that the commission appoint as temporary directors the five persons named in the petition.

(b) Requires the commission to appoint as temporary directors the five persons listed in a petition received under Subsection (a). Requires the commission, if it receives more than one petition, to appoint the directors listed in the first petition received.

(c) Requires the commission, if a temporary director fails to qualify for office, to appoint a person to fill the vacancy.

(d) Provides that temporary directors serve until a certain date.

Sec. 8124.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires the temporary directors, as soon as practicable after all the temporary directors have qualified under Section 49.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to meet at a location in the district agreeable to a majority of directors. Requires the meeting, if a location cannot be agreed upon, to be at the Harris County Courthouse. Requires the temporary directors, at the meeting, to elect officers from among the temporary directors and conduct any other district business.

Sec. 8124.023. CONFIRMATION AND INITIAL DIRECTORS' ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district and to elect five directors as provided by Section 49.102 (Confirmation and Director Election), Water Code.

Sec. 8124.024. INITIAL ELECTED DIRECTORS; TERMS. Requires the directors elected under Section 8124.023 to draw lots to determine which two are required to serve until the first regularly scheduled election of directors under Section 8124.052 and which three are required to serve until the second regularly scheduled election of directors.

Sec. 8124.025. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2010.

[Reserves Sections 8124.026-8124.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8124.051. DIRECTORS; TERMS. Provides that the district is governed by a board of five directors, who serve staggered four-year terms.

Sec. 8124.052. ELECTION OF DIRECTORS. Requires the appropriate number of directors to be elected on the uniform election date in May of each even-numbered year.

[Reserves Sections 8124.053-8124.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8124.101. GENERAL POWERS. Provides that the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general law of this state, including Chapters 49 (Provisions Applicable to All Districts) and 54 (Municipal Utility Districts), Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8142.102. ROAD PROJECTS. Authorizes the district to construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the district.

Sec. 8124.103. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Requires the district, subject to the limitations of Section 54.016 (Consent of City), Water Code, to comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston, including an ordinance or resolution adopted before September 1, 2005, that consents to the creation of the district or to the inclusion of lands within the district.

[Reserves Sections 8124.104-8124.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8124.151. TAX TO REPAY BONDS. Authorizes the district to impose a tax to pay the principal of or interest on bonds issued under Section 8124.201.

[Reserves Sections 8124.152-8124.200 for expansion.]

SUBCHAPTER E. BONDS

Sec. 8124.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Authorizes the district to issue bonds or other obligations to finance the construction maintenance, or operation of projects under Sections 8124.101 and 8124.102.

(b) Prohibits the district from issuing bonds to finance projects authorized by section 8124.102 unless the issuance is approved by vote of a two-thirds majority of the voters of the district voting at an election called for that purpose.

(c) Prohibits bonds or other obligations issued or incurred to finance projects authorized by Section 8124.102 from exceeding one-fourth of the assessed value of the real property in the district.

(d) Provides that Sections 49.181 and 49.182, Water Code, do not apply to a project undertaken by the district under Section 8124.102 or to bonds issued by the district.

SECTION 2. Sets forth the initial boundaries of the Harris County Municipal Utility District No. 460.

SECTION 3. Provides that all requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: September 1, 2005.