

BILL ANALYSIS

Senate Research Center

H.B. 4277
By: Zerwas (Kolkhorst)
Administration
8/1/2017
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4277 amends current law relating to the powers and duties of the Fort Bend County Municipal Utility District No. 50, provides authority to issue bonds, and provides authority to impose a tax.

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 7993, as follows:

CHAPTER 7993. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 50

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7993.001. DEFINITION. Defines "district" as the Fort Bend County Municipal Utility District No. 50 (district).

Sec. 7993.002. NATURE OF DISTRICT. Provides that the district is a municipal utility district (MUD) created under Section 59 (Conservation and Development of Natural Resources and Parks and Recreational Facilities; Conservation and Reclamation Districts), Article XVI (General Provisions), Texas Constitution.

Sec. 7993.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) Provides that the district is created to serve a public purpose and benefit.

(b) Provides that the district is created to accomplish certain purposes of the Texas Constitution.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 7993.051. GENERAL POWERS AND DUTIES. Provides that the district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7993.052. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. Provides that the district has the powers 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 MUDs created under Section 59, Article XVI, Texas Constitution.

Sec. 7993.053. AUTHORITY FOR ROAD PROJECTS. Authorizes the district, under Section 52 (Counties, Cities or other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds), Article III (Legislative Department), Texas Constitution, to perform certain actions relating to roads.

Sec. 7993.054. ROAD STANDARDS AND REQUIREMENTS. (a) Requires that a road project meet certain applicable standards and regulations.

(b) Requires that a road project, if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) Requires the Texas Transportation Commission, if the state will maintain and operate the road, to approve the plans and specifications of the road project.

Sec. 7993.055. AUTHORITY TO ESTABLISH DEFINED AREAS. Authorizes the district, notwithstanding the acreage requirement under Section 54.801(a) (relating to authorizing a district of a certain acreage to define areas or designate certain property to pay for certain improvements, facilities, or services), Water Code, to establish and administer defined areas as provided by Subchapter J (Services for Certain Defined Areas and Designated Property), Chapter 54, Water Code.

Sec. 7993.056. ADDITION OR EXCLUSION OF LAND IN DEFINED AREA. Authorizes the district to add or exclude land from the defined areas in the same manner the district is authorized to add land to or exclude land from the district.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 7993.101. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue certain bonds or other obligations.

(b) Prohibits the district from issuing bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(c) Prohibits the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes, at the time of issuance, from exceeding a certain amount.

Sec. 7993.102. TAXES FOR BONDS. Requires the district, at the time the district issues bonds payable wholly or partly from ad valorem taxes, to provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 (Tax Levy for Bonds) and 54.602 (Establishment of Tax Rate in Each Year), Water Code.

SECTION 2. Provides that the district retains all the rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. (a) Provides that the legislature validates and confirms all acts and proceedings of the board of directors of the district that were taken before the effective date of this Act.

(b) Provides that Subsection (a) of this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final judgment of a court or has been held invalid by a final judgment of a court.

SECTION 4. Provides that all requirements of the constitution and the 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 5. Effective date: upon passage or September 1, 2017.