

## **BILL ANALYSIS**

Senate Research Center  
85R10834 SLB-F

S.B. 1526  
By: Creighton  
Intergovernmental Relations  
4/13/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

This bill creates the Montgomery County Municipal Utility District No. 158 (district). The district will encompass approximately 595.28 acres of land located within the corporate limits of the City of Conroe. Water, sewer, drainage, and road facilities need to be secured because the land to be located within the district will be developed for residential purposes. The district is created under Section 59, Article XVI of the Texas Constitution and under Chapters 49 and 54 of the Water Code as applicable to all municipal utility districts. The district will have the authority to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to Texas, a county, or a municipality for operation and maintenance, roads or improvements in aid of those roads; the district will have standard road powers and must comply with all applicable city standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct facilities. It is also necessary to empower the district with authority to impose a tax and to grant the district a limited power of eminent domain.

The City of Conroe has adopted a resolution supporting the legislation creating the district.

As proposed, S.B. 1526 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 158, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose assessments, fees, and taxes.

### **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 7986, as follows:

#### CHAPTER 7986. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 158.

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 158 (district) in Montgomery County. Sets forth standards, procedures, requirements, and criteria for:

General provisions, including the nature of the district, requirement to confirm the creation of the district by election, consent to creation of the district by certain municipalities, the public purpose of the district, and the initial district territory. (Sections 7986.001-7986.050);

Size, composition, election, and terms of the board of directors of the district, including temporary directors (Sections 7986.051-7986.100);

Powers and duties of the district (Sections 7986.101-7986.150);

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7986.151-7986.200); and

Authority to issue certain bonds and other obligations (Sections 7986.201-7986.203).

SECTION 2. Sets forth the initial boundaries of the district.

SECTION 3. 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 4. (a) Provides that if this Act does receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7986, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7986.106, as follows:

Sec. 7986.106. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(b) Sets forth legislative intent.

SECTION 5. Effective date: September 1, 2017.