

BILL ANALYSIS

Senate Research Center
86R20415 BRG-F

H.B. 4699
By: Wilson (Schwertner)
Intergovernmental Relations
5/12/2019
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 4699 proposes to grant the Williamson County Municipal Utility District No. 21 (district) the power to undertake certain road projects. Road infrastructure is necessary to promote the development of the area within the district, so the bill authorizes the district, subject to certain requirements, to issue bonds and other obligations and impose property taxes.

The bill also removes a provision that requires water and sewer services to be provided by the Brazos River Authority. H.B. 4699 removes that provision so the municipal utility district can contract for its water and sewer services with other providers in the area. The Brazos River Authority is fine with this.

There is no known opposition to this legislation.

H.B. 4699 amends current law relating to the powers and duties of the Williamson County Municipal Utility District No. 21; 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 Section 8132.002, Special District Local Laws Code, as follows:

Sec. 8132.002. New heading: NATURE AND PURPOSES OF DISTRICT. (a) Creates this subsection from existing text. Provides that the Williamson County Municipal Utility District No. 21 (district) is a municipal utility district in Williamson County created under Section 59, Article XVI, Texas Constitution, rather than providing that the district is a municipal utility district in Williamson County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(b) Provides that the district is created to accomplish the purposes of:

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

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

SECTION 2. Amends Subchapter C, Chapter 8132, Special District Local Laws Code, by adding Sections 8132.104, 8132.105, 8132.106, and 8132.107, as follows:

Sec. 8132.104. 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. 8132.105. 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 municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8132.106. AUTHORITY FOR ROAD PROJECTS. Authorizes the district, under Section 52, Article III, Texas Constitution, to design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8132.107. ROAD STANDARDS AND REQUIREMENTS. (a) Requires a road project to meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires the road project, if a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to 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.

SECTION 3. Amends Chapter 8132, Special District Local Laws Code, by adding Subchapter E, as follows:

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8132.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS FOR ROAD PROJECTS. (a) Authorizes the district to issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8132.106.

(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 one-fourth of the assessed value of the real property in the district.

Sec. 8132.202. TAXES FOR BONDS. Requires the board of directors of 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 4. Repealer: Section 8132.101 (Wastewater Treatment Facility Design Approval), Special District Local Laws Code.

Repealer: Section 8132.102 (Wastewater Service Providers), Special District Local Laws Code.

Repealer: Section 8132.103 (Compliance With Sewer Service Agreement), Special District Local Laws Code.

SECTION 5. 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 6. Effective date: upon passage or September 1, 2019.