

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2535
By: Fallon
Intergovernmental Relations
4/25/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2535 amends the Special District Local Laws Code to grant to the existing Lakehaven Municipal Utility District roadway powers and related powers, including the authority to issue bonds for road projects. The bill allows for the reimbursement of private entities for the construction or purchase of roadways, subject to bidding requirements, and allows the district to contract with a political subdivision for a joint road project. The total principal amount of any bonds or other obligations issued by the district to finance road projects may not exceed one-fourth of the assessed value of real property in the district. The Collin County Commissioners Court passed a resolution in support of this measure.

Committee Substitute Changes

Subchapter A

- Defines the "City" as Farmersville, Texas.
- Requires the district to contract for public services and receive a resolution from the Commissioners Court acknowledging such and approving, before bonds are issued.

Subchapter B

- Allows the district to enforce animal control in the same manner and same circumstances as the City.

Subchapter C

- Allows the district to have the same building code, certificates of occupancy, and permit requirements as the City.
- Requires building fees not to exceed those of the City.

C.S.S.B. 2535 amends current law relating to the powers and duties of the Lakehaven Municipal Utility District, 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 8093, as follows:

CHAPTER 8093. LAKEHAVEN MUNICIPAL UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8093.0101. DEFINITIONS. Defines "board" as the Lakehaven Municipal Utility District's board of directors (district; board). Defines "city" as the City of Farmersville, Texas (city). Defines "district."

Sec. 8093.0102. NATURE AND PURPOSES OF DISTRICT. (a) Provides that the district is a municipal utility district created under Section 59 (Conservation and Development of Natural Resources; Development of Parks and Recreational Facilities; Conservation and Reclamation Districts; Indebtedness and Taxation Authorized), 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 (Restrictions on Lending Credit or Making Grants by Political Corporations or Political Subdivisions; Authorized Bonds; Investment of Funds), 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.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8093.0201. 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. 8093.0202. 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. 8093.0203. 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. 8093.0204. ROAD STANDARDS AND REQUIREMENTS. (a) Requires a road project to meet all applicable construction standards and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) Requires a road project, if the road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, to meet all applicable construction standards 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. 8093.0205. ANIMAL CONTROL SERVICES. Authorizes the district to enforce in the district animal control ordinances adopted by the city and to contract with the city to enforce an animal control ordinance adopted by the city in the same manner as the ordinance is enforced in the corporate limits of the city.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

Sec. 8093.0301. 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, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 8093.0203.

(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. 8093.0302. TAXES FOR BONDS. Requires the board, 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.

Sec. 8093.0303. CONDITION PRECEDENT TO ISSUING BONDS OR OTHER OBLIGATIONS. (a) Prohibits the district from issuing bonds or other obligations under this subchapter unless the district has entered into a contract with the city, Collin County, or another entity:

(1) for adequate supplemental police, fire, emergency, and animal control services for the district; and

(2) that is approved by the Commissioners Court of Collin County (commissioners court) under Subsection (c).

(b) Authorizes a contract under Subsection (a) to include a provision that the contract take effect only on the approval of the commissioners court and the voters in the district voting in an election held for that purpose.

(c) Requires the commissioners court to review a contract under Subsection (a) and evaluate the supplemental police, fire, emergency, and animal control services provided in the contract. Requires the commissioners court, if the commissioners court determines that the contract provides adequate services, to adopt a resolution stating that the contract has met the requirements of Subsection (a).

SUBCHAPTER D. CITY PERMITTING AUTHORITY IN DISTRICT

Sec. 8093.0401. CITY AUTHORITY. (a) Provides that the city has exclusive authority in the district to issue all building permits, certificates of occupancy, and any certificate or permit issued by the city relating to business activities.

(b) Prohibits a fee for a permit or certificate issued by the city for use in the district from exceeding the fees charged for the same permit or certificate issued for use in the corporate limits of the city.

(c) Provides that a permit or certificate issued by the city for use in the district is subject to the terms of a development agreement made under Section 212.172 (Development Agreement), Local Government 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. 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. Effective date: upon passage or September 1, 2019.