

## **BILL ANALYSIS**

Senate Research Center  
87R9977 SGM-F

S.B. 2174  
By: Creighton  
Local Government  
4/26/2021  
As Filed

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

Continuing development and growth in Montgomery County has created the need for permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, road facilities, and recreational facilities. Montgomery County Municipal Utility District No. 152 is an existing district covering approximately 965 acres in the extraterritorial jurisdiction of the City of Conroe, Texas. The bill seeks to grant to Montgomery County Municipal Utility District No. 152 the power to divide into two or more districts, which districts will be authorized, pursuant to Article XVI, Section 59, and Article III, Section 52 of the Texas Constitution, to incur indebtedness to provide water, sanitary sewer, storm drainage, road and recreational improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

As proposed, S.B. 2174 amends current law relating to the division of the Montgomery County Municipal Utility District No. 152.

### **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 Subchapter C, Chapter 7932, Special District Local Laws Code, by adding Section 7932.106, as follows:

Sec. 7932.106. DIVISION OF DISTRICT. (a) Authorizes the Montgomery County Municipal Utility District No. 152 (district) to be divided into two or more new districts only if the district has no outstanding bonded debt and is not imposing ad valorem taxes.

(b) Provides that Chapter 7932 (Montgomery County Municipal Utility District No. 152) applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Prohibits a new district created by the division of the district, at the time the new district is created, from containing any land outside the area located within the district as of January 1, 2021.

(d) Authorizes the district's board of directors (board), on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, to adopt an order dividing the district.

(e) Authorizes the board to adopt an order dividing the district before or after the date the board holds an election under Section 7932.003 (Confirmation and Directors' Election Required) to confirm the district's creation.

(f) Requires that an order dividing the district name each new district, include the metes and bounds description of the territory of each new district, appoint

temporary directors for each new district, and provide for the division of assets and liabilities between the new districts.

(g) Requires the district, on or before the 30th day after the date of adoption of an order dividing the district, to file the order with the Texas Commission on Environmental Quality (TCEQ) and record the order in the real property records of each county in which the district is located.

(h) Requires any new district created by the division of the district to hold a confirmation and directors' election as required by Section 7932.003.

(i) Requires the new district, if the creation of the new district is confirmed, to provide the election date and results to TCEQ.

(j) Requires any new district created by the division of the district to hold an election as required by this chapter to obtain voter approval before the district is authorized to impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

(k) Provides that municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SECTION 2. Effective date: upon passage or September 1, 2021.