

BILL ANALYSIS

Senate Research Center
87R8555 SGM-F

S.B. 2196
By: Creighton
Local Government
5/9/2021
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This Act proposes to create a municipal utility district to be known as the Cleveland Municipal Utility District No. 2 of Liberty County (district), located on the west side of Cleveland, south of State Highway 105 and east of Fosteria Road, being approximately 686 acres in Liberty County, Texas, and partially within the corporate limits and extraterritorial jurisdiction of the City of Cleveland. 686 Delasu is the owner and developer for the land proposed to be included in the district.

It is necessary to create a district under Sections 49 and 54, Texas Water Code, and Section 59, Article 16, and Section 52, Article 3, Texas Constitution, in order to construct public infrastructure, including water, sewer, drainage, and roads, to serve the currently undeveloped land.

As proposed, S.B. 2196 amends current law relating to the creation of the Cleveland Municipal Utility District No. 2, 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 7905A, as follows:

CHAPTER 7905A. CLEVELAND MUNICIPAL UTILITY DISTRICT NO. 2

Sets forth standard language for the creation of the Cleveland Municipal Utility District No. 2 (district) in Cleveland (city). Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7905A.0101-7905A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7905A.0201-7905A.0202);

Powers and duties of the district (7905A.0301-7905A.0308);

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (7905A.0401-7905A.0503).

Prohibits the district from exercising the power of eminent domain outside the district boundaries to acquire a site or easement for a recreational facility, as defined by Section 49.462 (Definitions), Water Code, or a road project authorized by Section 7905A.0303.

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

SECTION 3. 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 4. (a) Provides that Section 7905A.0308, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) Provides that if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7905A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7905A.0308, as follows:

Sec. 7905A.0308. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(c) Provides that this section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. Effective date: upon passage or September 1, 2021.