

BILL ANALYSIS

Senate Research Center
87R12736 MP-F

S.B. 2198
By: Creighton
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 2198 creates the Chambers County Municipal Utility District No. 7 (district). The district will encompass approximately 173.477 acres of land located within Chambers County, Texas. The district is not located within the extraterritorial jurisdiction or corporate limits of any municipality.

S.B. 2198 is a standard template bill and provides for water, sewer, drainage, and road facilities (facilities), which need to be secured because the land to be located within the district will be developed for residential purposes.

S.B. 2198 follows the template in all regards, except that it provides for the district to divide into two or more districts.

The district is created under Water Code provisions applicable to all water districts and to municipal utility districts and under constitutional provisions relating to conservation and reclamation districts. The district will have standard road powers and must comply with all applicable road standards. The district will have the authority to issue tax-exempt bonds to purchase, acquire, or construct the 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. S.B. 2198 provides for the creation, administration, powers, duties, operation, and financing of the district.

As proposed, S.B. 2198 amends current law relating to the creation of the Chambers County Municipal Utility District No. 7, grants a limited power of eminent domain, provides authority to issue bonds, and provides authority to impose 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 7916A, as follows:

CHAPTER 7916A. CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

Sets forth standard language for the creation of the Chambers County Municipal Utility District No. 7 (district) in Chambers County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7916A.0101-7916A.0107);

Size, composition, election, and terms of the board of directors of the district (Sections 7916A.0201-7916A.0202);

Powers and duties of the district (Sections 7916A.0301-7916A.0306); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7916A.0401-7916A.0503).

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, if this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7916A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7916A.0307, as follows:

Sec. 7916A.0307. NO EMINENT DOMAIN POWER. Prohibits the district from exercising the power of eminent domain.

(b) 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: September 1, 2021.