

BILL ANALYSIS

Senate Research Center
87R20859 SMT-F

S.B. 2228
By: Taylor
Local Government
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The City of Kemah Municipal Management District No. 1 (district) was created in 2019 by the Texas Legislature. At the time of creation, the district did not seek the authority to provide retail water and sewer service. However, based on current development plans for the property within the district, interested parties agree that the district should provide retail service.

S.B. 2228 enables the district to provide retail service and conforms the district's enabling legislation to management district template language.

The bill authorizes the district, subject to certain requirements, to issue bonds and other obligations and impose property taxes.

As proposed, S.B. 2228 amends current law relating to the authority of the City of Kemah Municipal Management District No. 1 to provide water and sewer service, exercise certain powers, issue bonds, and impose fees, taxes, and assessments and to the validation of certain acts and proceedings of the district.

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 3976.0105(b), Special District Local Laws Code, as follows:

(b) Provides that a mistake in the field notes or in copying the field notes in the legislative process does not affect the authority of the City of Kemah Municipal Management District No. 1 (district) to borrow money or issue bonds or other obligations, rather than the district's authority to borrow money or other obligations described by Section 3976.0501 (Bonds and Other Obligations), or to pay the principal and interest of the bonds or other obligations.

SECTION 2. Amends Subchapter E, Chapter 3976, Special District Local Laws Code, by adding Sections 3976.0503, 3976.0504, 3976.0505, 3976.0506, and 3976.0507, to set forth standards, procedures, requirements, and criteria for general financial provisions and authority to impose a tax and issue bonds and obligations for the district.

SECTION 3. Repealers: Sections 3976.0205 (Director's Oath or Affirmation) and 3976.0206 (Officers), Special District Local Laws Code;

Repealers: Sections 3976.0304 (Ownership of Improvement Projects) and 3976.0305 (Retail Water and Sewer Services Prohibited), Special District Local Laws Code;

Repealers: Sections 3976.0501 (Bonds and Other Obligations) and 3976.0502 (Taxes for Water, Wastewater, and Drainage Purposes), Special District Local Laws Code; and

Repealers: Sections 3976.0208(c) (relating to the dates by which the terms of the initial directors expire) and (d) (relating to the expiration date for Section 3976.0208 (Initial Directors)), Special District Laws Code.

SECTION 4. (a) Provides that the legislature validates and confirms all governmental acts and proceedings of the district that were taken before the effective date of this Act.

(b) Provides that this section does not apply to any matter that on the effective date of this Act is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment or has been held invalid by a final court judgment.

SECTION 5. 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 6. Effective date: upon passage or September 1, 2021.