

BILL ANALYSIS

Senate Research Center
88R24122 MP-F

H.B. 5325
By: Gates (Kolkhorst)
Local Government
5/5/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Fort Bend Municipal Utility District No. 144 is an existing municipal utility district encompassing approximately 550 acres most of which is in the corporate limits of the City of Rosenberg, Texas. The only undeveloped portion of MUD 144 (approximately 35 acres) is located in the City of Richmond's extraterritorial jurisdiction (ETJ). MUD 144 is unable to serve the undeveloped 35-acre tract due to jurisdictional boundary inconsistencies and other factors. This 35-acre tract must be excluded from MUD 144 so that services can be provided by a neighboring district wholly located within the City of Richmond's ETJ. H.B. 5325 will harmonize the boundaries of the MUD 144 with the jurisdictional boundaries of the City of Richmond and the City of Rosenberg by providing for the exclusion of approximately 35 acres from MUD 144 and payment of the share of MUD 144's outstanding bonds attributable to the excluded tract.

H.B. 5325 amends current law relating to the boundaries of the Fort Bend County Municipal Utility District No. 144.

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. DEFINITION. Defines "district."

SECTION 2. EXCLUSION OF TERRITORY. Adjusts the boundaries of the Fort Bend County Municipal Utility District No. 144 (district) by excluding a certain parcel of land.

SECTION 3. RIGHTS OF BONDHOLDERS. Provides that the exclusion of property under this Act does not diminish or impair the rights of the holders of any outstanding and unpaid bonds, warrants, or other certificates of indebtedness of the district.

SECTION 4. APPORTIONMENT OF DISTRICT INDEBTEDNESS. (a) Provides that the excluded property is not released from the payment of its pro rata share of the district's indebtedness.

(b) Requires the district to continue to levy taxes each year on the property excluded from the district at the same rate levied on other property of the district until the taxes collected from the excluded property equal the property's pro rata share of the indebtedness of the district on the effective date of this Act. Requires that the taxes collected be applied exclusively to the payment of the excluded property's pro rata share of the indebtedness.

(c) Authorizes the owner of any part of the excluded property at any time to pay in full the owner's share of the pro rata share of the indebtedness of the district. Authorizes the district to apply all or a portion of funds previously paid or advanced to the district by an owner of any part of the excluded property toward the payment of the owner's pro rata share of the indebtedness of the district.

SECTION 5. NOTICE. 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. Effective date: upon passage or September 1, 2023.