

## **BILL ANALYSIS**

Senate Research Center  
88R7789 LRM-F

S.B. 2574  
By: Creighton  
Local Government  
4/25/2023  
As Filed

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

S.B. 2574 creates Montgomery County Municipal Utility District No. 228 (district). The district will encompass approximately 310 acres of land located within Montgomery County, Texas. S.B. 2574 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. 2574 follows the template in all regards, except that it provides the district with the authority 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. The bill provides for the creation, administration, powers, duties, operation, and financing of the district.

As proposed, S.B. 2574 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 228, 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 7969A, as follows:

#### **CHAPTER 7969A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 228**

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 228 (district) in Montgomery county. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7969A.0101-7969A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7969A.0201-7969A.0202);

Powers and duties of the district (Sections 7969A.0301-7969A.0306); and

General financial provisions, authority to impose a tax and issue bonds and obligations for the district (Sections 7969A.0401-7969A.0503).

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

SECTION 3. 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 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 7969A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7969A.0307, as follows:

Sec. 7969A.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) (relating to requiring The election to be held in accordance with procedures prescribed by the Legislature, and the returning officer in each county shall make returns to the Secretary of State of the number of legal votes cast at the election for and against each amendment), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: September 1, 2023.