

## **BILL ANALYSIS**

Senate Research Center  
88R12799 SCP-F

S.B. 2603  
By: Creighton  
Local Government  
5/17/2023  
Enrolled

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

Continuing development and growth in Montgomery County has created the need for permanent improvements such as water supply and distribution facilities, wastewater collection and treatment facilities, drainage and flood control projects, road facilities and recreational facilities. Pursuant to Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution, and subject to the continuing supervisory jurisdiction of the Texas Commission on Environmental Quality, the bill seeks to create a municipal utility district to be known as Montgomery County Municipal Utility District No. 216 over an approximate 494 acre tract of land located within the extraterritorial jurisdiction of the City of Conroe in Montgomery County. Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution provide for the creation of local governmental districts which are authorized to incur indebtedness to provide such permanent improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness. Once created, Montgomery County Municipal Utility District No. 216 will be authorized to incur indebtedness to provide water, sanitary sewer, storm drainage, road and recreational improvements and to levy taxes for the maintenance and operation of such improvements and for the repayment of such indebtedness.

S.B. 2603 amends current law relating to the creation of the Montgomery County Municipal Utility District No. 216, 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 7958A, as follows:

#### **CHAPTER 7958A. MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 216**

Sets forth standard language for the creation of the Montgomery County Municipal Utility District No. 216 (district) in Montgomery County. Sets forth standards, procedures, requirements, and criteria for:

Creation and approval of the district (Sections 7958A.0101-7958A.0106);

Size, composition, election, and terms of the board of directors of the district (Sections 7958A.0201-7958A.0202);

Powers and duties of the district (Sections 7958A.0301-7958A.0305); and

General financial provisions and authority to impose a tax and to issue bonds and obligations for the district (Sections 7958A.0401-7958A.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) Amends Subchapter C, Chapter 7958A, Special District Local Laws Code, as added by Section 1 of this Act, if this Act does not receive a two-thirds vote of all the members elected to each house, by adding Section 7958A.0306, as follows:

Sec. 7958A.0306. 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 authorizing the legislature to enact a general, local, or special law granting the power of eminent domain to an entity only on a two-thirds vote of all the members elected to each house), Article I (Bill of Rights), Texas Constitution.

SECTION 5. Effective date: January 1, 2024.