

By: Wilson

H.B. No. 2235

Substitute the following for H.B. No. 2235:

By: Leman

C.S.H.B. No. 2235

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the 7S Ranch Municipal Utility  
3 District; granting a limited power of eminent domain; providing  
4 authority to issue bonds; providing authority to impose  
5 assessments, fees, and taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
8 Code, is amended by adding Chapter 8267 to read as follows:

9 CHAPTER 8267. 7S RANCH MUNICIPAL UTILITY DISTRICT

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8267.0101. DEFINITIONS. In this chapter:

12 (1) "Board" means the district's board of directors.

13 (2) "Commission" means the Texas Commission on  
14 Environmental Quality.

15 (3) "Director" means a board member.

16 (4) "District" means the 7S Ranch Municipal Utility  
17 District.

18 Sec. 8267.0102. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 8267.0103. CONFIRMATION AND DIRECTOR ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.

1       Sec. 8267.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section  
3 8267.0103 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 8267.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

8       (a) The district is created to serve a public purpose and benefit.

9       (b) The district is created to accomplish the purposes of:

10           (1) a municipal utility district as provided by  
11 general law and Section 59, Article XVI, Texas Constitution; and

12           (2) Section 52, Article III, Texas Constitution, that  
13 relate to the construction, acquisition, improvement, operation,  
14 or maintenance of macadamized, graveled, or paved roads, or  
15 improvements, including storm drainage, in aid of those roads.

16       Sec. 8267.0106. INITIAL DISTRICT TERRITORY. (a) The  
17 district is initially composed of the territory described by  
18 Section 2 of the Act enacting this chapter.

19       (b) The boundaries and field notes contained in Section 2 of  
20 the Act enacting this chapter form a closure. A mistake made in the  
21 field notes or in copying the field notes in the legislative process  
22 does not affect the district's:

23           (1) organization, existence, or validity;

24           (2) right to issue any type of bond for the purposes  
25 for which the district is created or to pay the principal of and  
26 interest on a bond;

27           (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 8267.0201. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 8267.0202, directors  
6 serve staggered four-year terms.

7           Sec. 8267.0202. TEMPORARY DIRECTORS. (a) The temporary  
8 board consists of:

9                   (1) Chris Henry;

10                  (2) David Hays;

11                  (3) Bethany Leffingwell;

12                  (4) Frank Krenek; and

13                  (5) Shayne Eddleman.

14           (b) Temporary directors serve until the earlier of:

15                   (1) the date permanent directors are elected under  
16 Section 8267.0103; or

17                   (2) the fourth anniversary of the effective date of  
18 the Act enacting this chapter.

19           (c) If permanent directors have not been elected under  
20 Section 8267.0103 and the terms of the temporary directors have  
21 expired, successor temporary directors shall be appointed or  
22 reappointed as provided by Subsection (d) to serve terms that  
23 expire on the earlier of:

24                   (1) the date permanent directors are elected under  
25 Section 8267.0103; or

26                   (2) the fourth anniversary of the date of the  
27 appointment or reappointment.

1       (d) If Subsection (c) applies, the owner or owners of a  
2 majority of the assessed value of the real property in the district  
3 may submit a petition to the commission requesting that the  
4 commission appoint as successor temporary directors the five  
5 persons named in the petition. The commission shall appoint as  
6 successor temporary directors the five persons named in the  
7 petition.

8                   SUBCHAPTER C. POWERS AND DUTIES

9       Sec. 8267.0301. GENERAL POWERS AND DUTIES. The district  
10 has the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12       Sec. 8267.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17       Sec. 8267.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

23       Sec. 8267.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
24 road project must meet all applicable construction standards,  
25 zoning and subdivision requirements, and regulations of each  
26 municipality in whose corporate limits or extraterritorial  
27 jurisdiction the road project is located.

1       (b) If a road project is not located in the corporate limits  
2 or extraterritorial jurisdiction of a municipality, the road  
3 project must meet all applicable construction standards,  
4 subdivision requirements, and regulations of each county in which  
5 the road project is located.

6       (c) If the state will maintain and operate the road, the  
7 Texas Transportation Commission must approve the plans and  
8 specifications of the road project.

9       Sec. 8267.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
10 ORDINANCE OR RESOLUTION. The district shall comply with all  
11 applicable requirements of any ordinance or resolution that is  
12 adopted under Section 54.016 or 54.0165, Water Code, and that  
13 consents to the creation of the district or to the inclusion of land  
14 in the district.

15       Sec. 8267.0306. DIVISION OF DISTRICT. (a) The district may  
16 be divided into two or more new districts only if the district:

- 17               (1) has never issued any bonds; and  
18               (2) is not imposing ad valorem taxes.

19       (b) This chapter applies to any new district created by  
20 division of the district, and a new district has all the powers and  
21 duties of the district.

22       (c) A new district created by the division of the district  
23 may not, at the time the new district is created, contain any land  
24 outside the area described by Section 2 of the Act enacting this  
25 chapter.

26       (d) The board, on its own motion or on receipt of a petition  
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the  
2 district.

3 (e) The board may adopt an order dividing the district  
4 before or after the date the board holds an election under Section  
5 8267.0103 to confirm the district's creation.

6 (f) An order dividing the district shall:

7 (1) name each new district;

8 (2) include the metes and bounds description of the  
9 territory of each new district;

10 (3) appoint temporary directors for each new district;

11 and

12 (4) provide for the division of assets and liabilities  
13 between the new districts.

14 (g) On or before the 30th day after the date of adoption of  
15 an order dividing the district, the district shall file the order  
16 with the commission and record the order in the real property  
17 records of each county in which the district is located.

18 (h) A new district created by the division of the district  
19 shall hold a confirmation and directors' election as required by  
20 Section 8267.0103.

21 (i) If the creation of the new district is confirmed, the  
22 new district shall provide the election date and results to the  
23 commission.

24 (j) A new district created by the division of the district  
25 must hold an election as required by this chapter to obtain voter  
26 approval before the district may impose a maintenance tax or issue  
27 bonds payable wholly or partly from ad valorem taxes.

1       (k) Municipal consent to the creation of the district and to  
2 the inclusion of land in the district granted under Section  
3 8267.0104 acts as municipal consent to the creation of any new  
4 district created by the division of the district and to the  
5 inclusion of land in the new district.

6               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7       Sec. 8267.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
8 The district may issue, without an election, bonds and other  
9 obligations secured by:

10               (1) revenue other than ad valorem taxes; or

11               (2) contract payments described by Section 8267.0403.

12       (b) The district must hold an election in the manner  
13 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
14 before the district may impose an ad valorem tax or issue bonds  
15 payable from ad valorem taxes.

16       (c) The district may not issue bonds payable from ad valorem  
17 taxes to finance a road project unless the issuance is approved by a  
18 vote of a two-thirds majority of the district voters voting at an  
19 election held for that purpose.

20       Sec. 8267.0402. OPERATION AND MAINTENANCE TAX. (a) If  
21 authorized at an election held under Section 8267.0401, the  
22 district may impose an operation and maintenance tax on taxable  
23 property in the district in accordance with Section 49.107, Water  
24 Code.

25       (b) The board shall determine the tax rate. The rate may not  
26 exceed the rate approved at the election.

27       Sec. 8267.0403. CONTRACT TAXES. (a) In accordance with

1 Section 49.108, Water Code, the district may impose a tax other than  
2 an operation and maintenance tax and use the revenue derived from  
3 the tax to make payments under a contract after the provisions of  
4 the contract have been approved by a majority of the district voters  
5 voting at an election held for that purpose.

6 (b) A contract approved by the district voters may contain a  
7 provision stating that the contract may be modified or amended by  
8 the board without further voter approval.

9 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

10 Sec. 8267.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
11 OBLIGATIONS. The district may issue bonds or other obligations  
12 payable wholly or partly from ad valorem taxes, impact fees,  
13 revenue, contract payments, grants, or other district money, or any  
14 combination of those sources, to pay for any authorized district  
15 purpose.

16 Sec. 8267.0502. TAXES FOR BONDS. At the time the district  
17 issues bonds payable wholly or partly from ad valorem taxes, the  
18 board shall provide for the annual imposition of a continuing  
19 direct ad valorem tax, without limit as to rate or amount, while all  
20 or part of the bonds are outstanding as required and in the manner  
21 provided by Sections 54.601 and 54.602, Water Code.

22 Sec. 8267.0503. BONDS FOR ROAD PROJECTS. At the time of  
23 issuance, the total principal amount of bonds or other obligations  
24 issued or incurred to finance road projects and payable from ad  
25 valorem taxes may not exceed one-fourth of the assessed value of the  
26 real property in the district.

27 SECTION 2. The 7S Ranch Municipal Utility District



1 initially includes all the territory contained in the following  
2 area:

3 486.289 acres of land situated in the George Glasscock Survey,  
4 Abstract No. 243, in Williamson County, Texas, being the tracts  
5 conveyed to S7 Limited Partnership No. 1 by instruments of record  
6 in Document Nos. 9819357 (341.7957 ac.) 2015063709 (145.838 ac.) of  
7 the Official Public Records of Williamson County, Texas, and being  
8 more particularly described as follows:

9 Beginning at the northwest corner of a 221.62 acre tract conveyed to  
10 John Isbel by instrument of record in Document No. 2004074056, for  
11 an interior ell corner and the Point of Beginning of the herein  
12 described tract;

13 Thence S 18 deg 14 min 10 sec E 1593.39 feet to the southwest corner  
14 of the said 221.62 acre tract, being also the northeast corner of a  
15 154.34 acre tract conveyed to McMaster Farm Partnership by  
16 instrument of record in Document No. 2003062525, for the most  
17 southerly southeast corner of the herein described tract;

18 Thence S 71 deg 09 min 11 sec W 2490.75 feet to the northwest corner  
19 of the said 154.34 acre tract, being also the southeast corner of a  
20 56.63 acre tract conveyed to Grace Johnson by instrument of record  
21 in Document No. 2006084230, for the southmost southwest corner of  
22 the herein described tract;

23 Thence N 17 deg 30 min 32 sec W 1034.44 feet to the northeast corner  
24 of the said 56.63 acre tract, for an interior ell corner of the  
25 herein described tract;

26 Thence S 72 deg 30 min 31 sec W 1146.31 feet to a point on the  
27 northerly line of the said 56.63 acre tract, for the southwest

1 corner of the herein described tract;  
2 Thence N 18 deg 14 min 41 sec W 2472.25 feet to the southerly  
3 right-of-way of FM 970, for the northwest corner of the herein  
4 described tract;  
5 Thence with the said right-of-way the following courses and  
6 distances:  
7 N 74 deg 11 min 58 sec E 917.11 feet;  
8 N 74 deg 08 min 00 sec E 545.42 feet;  
9 N 74 deg 01 min 30 sec E 1927.02 feet;  
10 N 72 deg 27 min 30 sec E 1574.16 feet;  
11 N 71 deg 49 min 00 sec E 1909.53 feet;  
12 N 71 deg 51 min 00 sec E 2101.17 feet;  
13 With a curve to the left whose radius = 756.34 feet, tangents =  
14 85.78 feet, arc = 170.83 feet and whose chord bears N 64 deg 55 min  
15 00 sec E 170.47 feet;  
16 N 72 deg 32 min 00 sec E 172.92 feet to a tract of land conveyed to  
17 Bobby Rosenbusch by instrument of record in Document  
18 No. 2016115566, for the northeast corner of the herein described  
19 tract;  
20 Thence S 18 deg 34 min 00 sec E 1750.93 feet to the north line of the  
21 said 221.62 acre tract, for the southeast corner of the herein  
22 described tract;  
23 Thence S 71 deg 42 min 00 sec W 2448.59 feet and S 71 deg 40 min 00  
24 sec W 3251.18 feet to the Point of Beginning, containing 486.289  
25 acres of land, more or less.

26 SECTION 3. (a) The legal notice of the intention to  
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a  
2 copy of this Act have been furnished to all persons, agencies,  
3 officials, or entities to which they are required to be furnished  
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5 Government Code.

6 (b) The governor, one of the required recipients, has  
7 submitted the notice and Act to the Texas Commission on  
8 Environmental Quality.

9 (c) The Texas Commission on Environmental Quality has filed  
10 its recommendations relating to this Act with the governor, the  
11 lieutenant governor, and the speaker of the house of  
12 representatives within the required time.

13 (d) All requirements of the constitution and laws of this  
14 state and the rules and procedures of the legislature with respect  
15 to the notice, introduction, and passage of this Act are fulfilled  
16 and accomplished.

17 SECTION 4. (a) If this Act does not receive a two-thirds  
18 vote of all the members elected to each house, Subchapter C, Chapter  
19 8267, Special District Local Laws Code, as added by Section 1 of  
20 this Act, is amended by adding Section 8267.0307 to read as follows:

21 Sec. 8267.0307. NO EMINENT DOMAIN POWER. The district may  
22 not exercise the power of eminent domain.

23 (b) This section is not intended to be an expression of a  
24 legislative interpretation of the requirements of Section 17(c),  
25 Article I, Texas Constitution.

26 SECTION 5. This Act takes effect immediately if it receives  
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this  
2 Act does not receive the vote necessary for immediate effect, this  
3 Act takes effect September 1, 2021.