

1-1 By: Wilson (Senate Sponsor - Schwertner) H.B. No. 2235  
 1-2 (In the Senate - Received from the House May 10, 2021;  
 1-3 May 10, 2021, read first time and referred to Committee on Local  
 1-4 Government; May 21, 2021, reported favorably by the following  
 1-5 vote: Yeas 7, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini			X	

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the creation of the 7S Ranch Municipal Utility  
 1-20 District; granting a limited power of eminent domain; providing  
 1-21 authority to issue bonds; providing authority to impose  
 1-22 assessments, fees, and taxes.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-25 Code, is amended by adding Chapter 8267 to read as follows:

1-26 CHAPTER 8267. 7S RANCH MUNICIPAL UTILITY DISTRICT

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8267.0101. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "Commission" means the Texas Commission on  
 1-31 Environmental Quality.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the 7S Ranch Municipal Utility  
 1-34 District.

1-35 Sec. 8267.0102. NATURE OF DISTRICT. The district is a  
 1-36 municipal utility district created under Section 59, Article XVI,  
 1-37 Texas Constitution.

1-38 Sec. 8267.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-39 REQUIRED. The temporary directors shall hold an election to  
 1-40 confirm the creation of the district and to elect five permanent  
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 8267.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 8267.0103 until each municipality in whose corporate limits or  
 1-45 extraterritorial jurisdiction the district is located has  
 1-46 consented by ordinance or resolution to the creation of the  
 1-47 district and to the inclusion of land in the district.

1-48 Sec. 8267.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by  
 1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that  
 1-54 relate to the construction, acquisition, improvement, operation,  
 1-55 or maintenance of macadamized, graveled, or paved roads, or  
 1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 8267.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-58 district is initially composed of the territory described by  
 1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of  
 1-61 the Act enacting this chapter form a closure. A mistake made in the

2-1 field notes or in copying the field notes in the legislative process  
 2-2 does not affect the district's:

- 2-3 (1) organization, existence, or validity;  
 2-4 (2) right to issue any type of bond for the purposes  
 2-5 for which the district is created or to pay the principal of and  
 2-6 interest on a bond;  
 2-7 (3) right to impose a tax; or  
 2-8 (4) legality or operation.

2-9 SUBCHAPTER B. BOARD OF DIRECTORS

2-10 Sec. 8267.0201. GOVERNING BODY; TERMS. (a) The district is  
 2-11 governed by a board of five elected directors.

2-12 (b) Except as provided by Section 8267.0202, directors  
 2-13 serve staggered four-year terms.

2-14 Sec. 8267.0202. TEMPORARY DIRECTORS. (a) The temporary  
 2-15 board consists of:

- 2-16 (1) Chris Henry;  
 2-17 (2) David Hays;  
 2-18 (3) Bethany Leffingwell;  
 2-19 (4) Frank Krenek; and  
 2-20 (5) Shayne Eddleman.

2-21 (b) Temporary directors serve until the earlier of:

2-22 (1) the date permanent directors are elected under  
 2-23 Section 8267.0103; or

2-24 (2) the fourth anniversary of the effective date of  
 2-25 the Act enacting this chapter.

2-26 (c) If permanent directors have not been elected under  
 2-27 Section 8267.0103 and the terms of the temporary directors have  
 2-28 expired, successor temporary directors shall be appointed or  
 2-29 reappointed as provided by Subsection (d) to serve terms that  
 2-30 expire on the earlier of:

2-31 (1) the date permanent directors are elected under  
 2-32 Section 8267.0103; or

2-33 (2) the fourth anniversary of the date of the  
 2-34 appointment or reappointment.

2-35 (d) If Subsection (c) applies, the owner or owners of a  
 2-36 majority of the assessed value of the real property in the district  
 2-37 may submit a petition to the commission requesting that the  
 2-38 commission appoint as successor temporary directors the five  
 2-39 persons named in the petition. The commission shall appoint as  
 2-40 successor temporary directors the five persons named in the  
 2-41 petition.

2-42 SUBCHAPTER C. POWERS AND DUTIES

2-43 Sec. 8267.0301. GENERAL POWERS AND DUTIES. The district  
 2-44 has the powers and duties necessary to accomplish the purposes for  
 2-45 which the district is created.

2-46 Sec. 8267.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-47 DUTIES. The district has the powers and duties provided by the  
 2-48 general law of this state, including Chapters 49 and 54, Water Code,  
 2-49 applicable to municipal utility districts created under Section 59,  
 2-50 Article XVI, Texas Constitution.

2-51 Sec. 8267.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
 2-52 52, Article III, Texas Constitution, the district may design,  
 2-53 acquire, construct, finance, issue bonds for, improve, operate,  
 2-54 maintain, and convey to this state, a county, or a municipality for  
 2-55 operation and maintenance macadamized, graveled, or paved roads, or  
 2-56 improvements, including storm drainage, in aid of those roads.

2-57 Sec. 8267.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-58 road project must meet all applicable construction standards,  
 2-59 zoning and subdivision requirements, and regulations of each  
 2-60 municipality in whose corporate limits or extraterritorial  
 2-61 jurisdiction the road project is located.

2-62 (b) If a road project is not located in the corporate limits  
 2-63 or extraterritorial jurisdiction of a municipality, the road  
 2-64 project must meet all applicable construction standards,  
 2-65 subdivision requirements, and regulations of each county in which  
 2-66 the road project is located.

2-67 (c) If the state will maintain and operate the road, the  
 2-68 Texas Transportation Commission must approve the plans and  
 2-69 specifications of the road project.

3-1 Sec. 8267.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 3-2 ORDINANCE OR RESOLUTION. The district shall comply with all  
 3-3 applicable requirements of any ordinance or resolution that is  
 3-4 adopted under Section 54.016 or 54.0165, Water Code, and that  
 3-5 consents to the creation of the district or to the inclusion of land  
 3-6 in the district.

3-7 Sec. 8267.0306. DIVISION OF DISTRICT. (a) The district may  
 3-8 be divided into two or more new districts only if the district:

3-9 (1) has never issued any bonds; and  
 3-10 (2) is not imposing ad valorem taxes.

3-11 (b) This chapter applies to any new district created by  
 3-12 division of the district, and a new district has all the powers and  
 3-13 duties of the district.

3-14 (c) A new district created by the division of the district  
 3-15 may not, at the time the new district is created, contain any land  
 3-16 outside the area described by Section 2 of the Act enacting this  
 3-17 chapter.

3-18 (d) The board, on its own motion or on receipt of a petition  
 3-19 signed by the owner or owners of a majority of the assessed value of  
 3-20 the real property in the district, may adopt an order dividing the  
 3-21 district.

3-22 (e) The board may adopt an order dividing the district  
 3-23 before or after the date the board holds an election under Section  
 3-24 8267.0103 to confirm the district's creation.

3-25 (f) An order dividing the district shall:

3-26 (1) name each new district;  
 3-27 (2) include the metes and bounds description of the  
 3-28 territory of each new district;

3-29 (3) appoint temporary directors for each new district;

3-30 and

3-31 (4) provide for the division of assets and liabilities  
 3-32 between the new districts.

3-33 (g) On or before the 30th day after the date of adoption of  
 3-34 an order dividing the district, the district shall file the order  
 3-35 with the commission and record the order in the real property  
 3-36 records of each county in which the district is located.

3-37 (h) A new district created by the division of the district  
 3-38 shall hold a confirmation and directors' election as required by  
 3-39 Section 8267.0103.

3-40 (i) If the creation of the new district is confirmed, the  
 3-41 new district shall provide the election date and results to the  
 3-42 commission.

3-43 (j) A new district created by the division of the district  
 3-44 must hold an election as required by this chapter to obtain voter  
 3-45 approval before the district may impose a maintenance tax or issue  
 3-46 bonds payable wholly or partly from ad valorem taxes.

3-47 (k) Municipal consent to the creation of the district and to  
 3-48 the inclusion of land in the district granted under Section  
 3-49 8267.0104 acts as municipal consent to the creation of any new  
 3-50 district created by the division of the district and to the  
 3-51 inclusion of land in the new district.

3-52 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-53 Sec. 8267.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
 3-54 The district may issue, without an election, bonds and other  
 3-55 obligations secured by:

3-56 (1) revenue other than ad valorem taxes; or

3-57 (2) contract payments described by Section 8267.0403.

3-58 (b) The district must hold an election in the manner  
 3-59 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-60 before the district may impose an ad valorem tax or issue bonds  
 3-61 payable from ad valorem taxes.

3-62 (c) The district may not issue bonds payable from ad valorem  
 3-63 taxes to finance a road project unless the issuance is approved by a  
 3-64 vote of a two-thirds majority of the district voters voting at an  
 3-65 election held for that purpose.

3-66 Sec. 8267.0402. OPERATION AND MAINTENANCE TAX. (a) If  
 3-67 authorized at an election held under Section 8267.0401, the  
 3-68 district may impose an operation and maintenance tax on taxable  
 3-69 property in the district in accordance with Section 49.107, Water

4-1 Code.

4-2 (b) The board shall determine the tax rate. The rate may not  
4-3 exceed the rate approved at the election.

4-4 Sec. 8267.0403. CONTRACT TAXES. (a) In accordance with  
4-5 Section 49.108, Water Code, the district may impose a tax other than  
4-6 an operation and maintenance tax and use the revenue derived from  
4-7 the tax to make payments under a contract after the provisions of  
4-8 the contract have been approved by a majority of the district voters  
4-9 voting at an election held for that purpose.

4-10 (b) A contract approved by the district voters may contain a  
4-11 provision stating that the contract may be modified or amended by  
4-12 the board without further voter approval.

4-13 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-14 Sec. 8267.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
4-15 OBLIGATIONS. The district may issue bonds or other obligations  
4-16 payable wholly or partly from ad valorem taxes, impact fees,  
4-17 revenue, contract payments, grants, or other district money, or any  
4-18 combination of those sources, to pay for any authorized district  
4-19 purpose.

4-20 Sec. 8267.0502. TAXES FOR BONDS. At the time the district  
4-21 issues bonds payable wholly or partly from ad valorem taxes, the  
4-22 board shall provide for the annual imposition of a continuing  
4-23 direct ad valorem tax, without limit as to rate or amount, while all  
4-24 or part of the bonds are outstanding as required and in the manner  
4-25 provided by Sections 54.601 and 54.602, Water Code.

4-26 Sec. 8267.0503. BONDS FOR ROAD PROJECTS. At the time of  
4-27 issuance, the total principal amount of bonds or other obligations  
4-28 issued or incurred to finance road projects and payable from ad  
4-29 valorem taxes may not exceed one-fourth of the assessed value of the  
4-30 real property in the district.

4-31 SECTION 2. The 7S Ranch Municipal Utility District  
4-32 initially includes all the territory contained in the following  
4-33 area:

4-34 486.289 acres of land situated in the George Glasscock Survey,  
4-35 Abstract No. 243, in Williamson County, Texas, being the tracts  
4-36 conveyed to S7 Limited Partnership No. 1 by instruments of record  
4-37 in Document Nos. 9819357 (341.7957 ac.) 2015063709 (145.838 ac.) of  
4-38 the Official Public Records of Williamson County, Texas, and being  
4-39 more particularly described as follows:

4-40 Beginning at the northwest corner of a 221.62 acre tract conveyed to  
4-41 John Isbel by instrument of record in Document No. 2004074056, for  
4-42 an interior ell corner and the Point of Beginning of the herein  
4-43 described tract;

4-44 Thence S 18 deg 14 min 10 sec E 1593.39 feet to the southwest corner  
4-45 of the said 221.62 acre tract, being also the northeast corner of a  
4-46 154.34 acre tract conveyed to McMaster Farm Partnership by  
4-47 instrument of record in Document No. 2003062525, for the most  
4-48 southerly southeast corner of the herein described tract;

4-49 Thence S 71 deg 09 min 11 sec W 2490.75 feet to the northwest corner  
4-50 of the said 154.34 acre tract, being also the southeast corner of a  
4-51 56.63 acre tract conveyed to Grace Johnson by instrument of record  
4-52 in Document No. 2006084230, for the southmost southwest corner of  
4-53 the herein described tract;

4-54 Thence N 17 deg 30 min 32 sec W 1034.44 feet to the northeast corner  
4-55 of the said 56.63 acre tract, for an interior ell corner of the  
4-56 herein described tract;

4-57 Thence S 72 deg 30 min 31 sec W 1146.31 feet to a point on the  
4-58 northerly line of the said 56.63 acre tract, for the southwest  
4-59 corner of the herein described tract;

4-60 Thence N 18 deg 14 min 41 sec W 2472.25 feet to the southerly  
4-61 right-of-way of FM 970, for the northwest corner of the herein  
4-62 described tract;

4-63 Thence with the said right-of-way the following courses and  
4-64 distances:

4-65 N 74 deg 11 min 58 sec E 917.11 feet;

4-66 N 74 deg 08 min 00 sec E 545.42 feet;

4-67 N 74 deg 01 min 30 sec E 1927.02 feet;

4-68 N 72 deg 27 min 30 sec E 1574.16 feet;

4-69 N 71 deg 49 min 00 sec E 1909.53 feet;



5-1 N 71 deg 51 min 00 sec E 2101.17 feet;  
 5-2 With a curve to the left whose radius = 756.34 feet, tangents =  
 5-3 85.78 feet, arc = 170.83 feet and whose chord bears N 64 deg 55 min  
 5-4 00 sec E 170.47 feet;  
 5-5 N 72 deg 32 min 00 sec E 172.92 feet to a tract of land conveyed to  
 5-6 Bobby Rosenbusch by instrument of record in Document  
 5-7 No. 2016115566, for the northeast corner of the herein described  
 5-8 tract;  
 5-9 Thence S 18 deg 34 min 00 sec E 1750.93 feet to the north line of the  
 5-10 said 221.62 acre tract, for the southeast corner of the herein  
 5-11 described tract;  
 5-12 Thence S 71 deg 42 min 00 sec W 2448.59 feet and S 71 deg 40 min 00  
 5-13 sec W 3251.18 feet to the Point of Beginning, containing 486.289  
 5-14 acres of land, more or less.

5-15 SECTION 3. (a) The legal notice of the intention to  
 5-16 introduce this Act, setting forth the general substance of this  
 5-17 Act, has been published as provided by law, and the notice and a  
 5-18 copy of this Act have been furnished to all persons, agencies,  
 5-19 officials, or entities to which they are required to be furnished  
 5-20 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 5-21 Government Code.

5-22 (b) The governor, one of the required recipients, has  
 5-23 submitted the notice and Act to the Texas Commission on  
 5-24 Environmental Quality.

5-25 (c) The Texas Commission on Environmental Quality has filed  
 5-26 its recommendations relating to this Act with the governor, the  
 5-27 lieutenant governor, and the speaker of the house of  
 5-28 representatives within the required time.

5-29 (d) All requirements of the constitution and laws of this  
 5-30 state and the rules and procedures of the legislature with respect  
 5-31 to the notice, introduction, and passage of this Act are fulfilled  
 5-32 and accomplished.

5-33 SECTION 4. (a) If this Act does not receive a two-thirds  
 5-34 vote of all the members elected to each house, Subchapter C, Chapter  
 5-35 8267, Special District Local Laws Code, as added by Section 1 of  
 5-36 this Act, is amended by adding Section 8267.0307 to read as follows:  
 5-37 Sec. 8267.0307. NO EMINENT DOMAIN POWER. The district may  
 5-38 not exercise the power of eminent domain.

5-39 (b) This section is not intended to be an expression of a  
 5-40 legislative interpretation of the requirements of Section 17(c),  
 5-41 Article I, Texas Constitution.

5-42 SECTION 5. This Act takes effect immediately if it receives  
 5-43 a vote of two-thirds of all the members elected to each house, as  
 5-44 provided by Section 39, Article III, Texas Constitution. If this  
 5-45 Act does not receive the vote necessary for immediate effect, this  
 5-46 Act takes effect September 1, 2021.

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