

1-1 By: Bonnen (Senate Sponsor - Taylor) H.B. No. 4659  
 1-2 (In the Senate - Received from the House May 17, 2021;  
 1-3 May 17, 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 6, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12			X	
1-13			X	
1-14	X			
1-15	X			
1-16			X	

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

1-19 relating to the authority of the City of Kemah Municipal Management  
 1-20 District No. 1 to provide water and sewer service, exercise certain  
 1-21 powers, issue bonds, and impose fees, taxes, and assessments and to  
 1-22 the validation of certain acts and proceedings of the district.

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

1-24 SECTION 1. Section 3976.0105(b), Special District Local  
 1-25 Laws Code, is amended to read as follows:

1-26 (b) The boundaries and field notes contained in Section 2 of  
 1-27 the Act enacting this chapter form a closure. A mistake in the  
 1-28 field notes or in copying the field notes in the legislative process  
 1-29 does not affect the district's:

- 1-30 (1) organization, existence, or validity;
- 1-31 (2) right to contract;
- 1-32 (3) authority to borrow money or issue bonds or other  
 1-33 obligations [~~described by Section 3976.0501~~] or to pay the  
 1-34 principal and interest of the bonds or other obligations;
- 1-35 (4) right to impose or collect an assessment, or  
 1-36 collect other revenue; or
- 1-37 (5) legality or operation.

1-38 SECTION 2. Subchapter E, Chapter 3976, Special District  
 1-39 Local Laws Code, is amended by adding Sections 3976.0503,  
 1-40 3976.0504, 3976.0505, 3976.0506, and 3976.0507 to read as follows:

1-41 Sec. 3976.0503. TAX ELECTION REQUIRED. The district must  
 1-42 hold an election in the manner provided by Chapter 49, Water Code,  
 1-43 or, if applicable, Chapter 375, Local Government Code, to obtain  
 1-44 voter approval before the district may impose an ad valorem tax.

1-45 Sec. 3976.0504. OPERATION AND MAINTENANCE TAX. (a) If  
 1-46 authorized by a majority of the district voters voting at an  
 1-47 election under Section 3976.0503, the district may impose an  
 1-48 operation and maintenance tax on taxable property in the district  
 1-49 in the manner provided by Section 49.107, Water Code, for any  
 1-50 district purpose, including to:

- 1-51 (1) maintain and operate the district;
- 1-52 (2) construct or acquire improvements; or
- 1-53 (3) provide a service.

1-54 (b) The board shall determine the operation and maintenance  
 1-55 tax rate. The rate may not exceed the rate approved at the  
 1-56 election.

1-57 Sec. 3976.0505. AUTHORITY TO BORROW MONEY AND TO ISSUE  
 1-58 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
 1-59 terms determined by the board.

1-60 (b) The district may issue bonds, notes, or other  
 1-61 obligations payable wholly or partly from ad valorem taxes,

2-1 assessments, impact fees, revenue, contract payments, grants, or  
2-2 other district money, or any combination of those sources of money,  
2-3 to pay for any authorized district purpose.

2-4 Sec. 3976.0506. BONDS SECURED BY REVENUE OR CONTRACT  
2-5 PAYMENTS. The district may issue, without an election, bonds  
2-6 secured by:

2-7 (1) revenue other than ad valorem taxes, including  
2-8 contract revenues; or

2-9 (2) contract payments, provided that the requirements  
2-10 of Section 49.108, Water Code, have been met.

2-11 Sec. 3976.0507. BONDS SECURED BY AD VALOREM TAXES;  
2-12 ELECTIONS. (a) If authorized at an election under Section  
2-13 3976.0503, the district may issue bonds payable from ad valorem  
2-14 taxes.

2-15 (b) Section 375.243, Local Government Code, does not apply  
2-16 to the district.

2-17 (c) At the time the district issues bonds payable wholly or  
2-18 partly from ad valorem taxes, the board shall provide for the annual  
2-19 imposition of a continuing direct annual ad valorem tax, without  
2-20 limit as to rate or amount, for each year that all or part of the  
2-21 bonds are outstanding as required and in the manner provided by  
2-22 Sections 54.601 and 54.602, Water Code.

2-23 (d) All or any part of any facilities or improvements that  
2-24 may be acquired by a district by the issuance of its bonds may be  
2-25 submitted as a single proposition or as several propositions to be  
2-26 voted on at the election.

2-27 SECTION 3. The following provisions of the Special District  
2-28 Local Laws Code are repealed:

2-29 (1) Sections 3976.0205, 3976.0206, 3976.0304,  
2-30 3976.0305, 3976.0501, and 3976.0502; and

2-31 (2) Sections 3976.0208(c) and (d).

2-32 SECTION 4. (a) The legislature validates and confirms all  
2-33 governmental acts and proceedings of the City of Kemah Municipal  
2-34 Management District No. 1 that were taken before the effective date  
2-35 of this Act.

2-36 (b) This section does not apply to any matter that on the  
2-37 effective date of this Act:

2-38 (1) is involved in litigation if the litigation  
2-39 ultimately results in the matter being held invalid by a final court  
2-40 judgment; or

2-41 (2) has been held invalid by a final court judgment.

2-42 SECTION 5. (a) The legal notice of the intention to  
2-43 introduce this Act, setting forth the general substance of this  
2-44 Act, has been published as provided by law, and the notice and a  
2-45 copy of this Act have been furnished to all persons, agencies,  
2-46 officials, or entities to which they are required to be furnished  
2-47 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
2-48 Government Code.

2-49 (b) The governor, one of the required recipients, has  
2-50 submitted the notice and Act to the Texas Commission on  
2-51 Environmental Quality.

2-52 (c) The Texas Commission on Environmental Quality has filed  
2-53 its recommendations relating to this Act with the governor, the  
2-54 lieutenant governor, and the speaker of the house of  
2-55 representatives within the required time.

2-56 (d) All requirements of the constitution and laws of this  
2-57 state and the rules and procedures of the legislature with respect  
2-58 to the notice, introduction, and passage of this Act are fulfilled  
2-59 and accomplished.

2-60 SECTION 6. This Act takes effect immediately if it receives  
2-61 a vote of two-thirds of all the members elected to each house, as  
2-62 provided by Section 39, Article III, Texas Constitution. If this  
2-63 Act does not receive the vote necessary for immediate effect, this  
2-64 Act takes effect September 1, 2021.

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