

1-1 By: Creighton S.B. No. 2198
 1-2 (In the Senate - Filed April 12, 2021; April 12, 2021, read
 1-3 first time and referred to Committee on Local Government;
 1-4 May 19, 2021, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 9, Nays 0; May 19, 2021,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
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	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 2198 By: Paxton

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the creation of the Chambers County Municipal Utility
 1-22 District No. 7; granting a limited power of eminent domain;
 1-23 providing authority to issue bonds; providing authority to impose
 1-24 fees and taxes.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-27 Code, is amended by adding Chapter 7916A to read as follows:

1-28 CHAPTER 7916A. CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

1-29 SUBCHAPTER A. GENERAL PROVISIONS

1-30 Sec. 7916A.0101. DEFINITIONS. In this chapter:

1-31 (1) "Board" means the district's board of directors.

1-32 (2) "Commission" means the Texas Commission on
 1-33 Environmental Quality.

1-34 (3) "Director" means a board member.

1-35 (4) "District" means the Chambers County Municipal
 1-36 Utility District No. 7.

1-37 Sec. 7916A.0102. NATURE OF DISTRICT. The district is a
 1-38 municipal utility district created under Section 59, Article XVI,
 1-39 Texas Constitution.

1-40 Sec. 7916A.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-41 REQUIRED. The temporary directors shall hold an election to
 1-42 confirm the creation of the district and to elect five permanent
 1-43 directors as provided by Section 49.102, Water Code.

1-44 Sec. 7916A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-45 temporary directors may not hold an election under Section
 1-46 7916A.0103 until each municipality in whose corporate limits or
 1-47 extraterritorial jurisdiction the district is located has
 1-48 consented by ordinance or resolution to the creation of the
 1-49 district and to the inclusion of land in the district.

1-50 Sec. 7916A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-51 (a) The district is created to serve a public purpose and benefit.

1-52 (b) The district is created to accomplish the purposes of:

1-53 (1) a municipal utility district as provided by
 1-54 general law and Section 59, Article XVI, Texas Constitution; and

1-55 (2) Section 52, Article III, Texas Constitution, that
 1-56 relate to the construction, acquisition, improvement, operation,
 1-57 or maintenance of macadamized, graveled, or paved roads, or
 1-58 improvements, including storm drainage, in aid of those roads.

1-59 Sec. 7916A.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-60 district is initially composed of the territory described by

2-1 Section 2 of the Act enacting this chapter.
 2-2 (b) The boundaries and field notes contained in Section 2 of
 2-3 the Act enacting this chapter form a closure. A mistake made in the
 2-4 field notes or in copying the field notes in the legislative process
 2-5 does not affect the district's:
 2-6 (1) organization, existence, or validity;
 2-7 (2) right to issue any type of bond for the purposes
 2-8 for which the district is created or to pay the principal of and
 2-9 interest on a bond;
 2-10 (3) right to impose a tax; or
 2-11 (4) legality or operation.
 2-12 SUBCHAPTER B. BOARD OF DIRECTORS
 2-13 Sec. 7916A.0201. GOVERNING BODY; TERMS. (a) The district
 2-14 is governed by a board of five elected directors.
 2-15 (b) Except as provided by Section 7916A.0202, directors
 2-16 serve staggered four-year terms.
 2-17 Sec. 7916A.0202. TEMPORARY DIRECTORS. (a) The temporary
 2-18 board consists of:
 2-19 (1) Mark Stubbs;
 2-20 (2) Letecia Balderrama;
 2-21 (3) Lori Kaiser;
 2-22 (4) Hannah Keeler Vaughan; and
 2-23 (5) Lori Pitts.
 2-24 (b) Temporary directors serve until the earlier of:
 2-25 (1) the date permanent directors are elected under
 2-26 Section 7916A.0103; or
 2-27 (2) the fourth anniversary of the effective date of
 2-28 the Act enacting this chapter.
 2-29 (c) If permanent directors have not been elected under
 2-30 Section 7916A.0103 and the terms of the temporary directors have
 2-31 expired, successor temporary directors shall be appointed or
 2-32 reappointed as provided by Subsection (d) to serve terms that
 2-33 expire on the earlier of:
 2-34 (1) the date permanent directors are elected under
 2-35 Section 7916A.0103; or
 2-36 (2) the fourth anniversary of the date of the
 2-37 appointment or reappointment.
 2-38 (d) If Subsection (c) applies, the owner or owners of a
 2-39 majority of the assessed value of the real property in the district
 2-40 may submit a petition to the commission requesting that the
 2-41 commission appoint as successor temporary directors the five
 2-42 persons named in the petition. The commission shall appoint as
 2-43 successor temporary directors the five persons named in the
 2-44 petition.
 2-45 SUBCHAPTER C. POWERS AND DUTIES
 2-46 Sec. 7916A.0301. GENERAL POWERS AND DUTIES. The district
 2-47 has the powers and duties necessary to accomplish the purposes for
 2-48 which the district is created.
 2-49 Sec. 7916A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-50 DUTIES. The district has the powers and duties provided by the
 2-51 general law of this state, including Chapters 49 and 54, Water Code,
 2-52 applicable to municipal utility districts created under Section 59,
 2-53 Article XVI, Texas Constitution.
 2-54 Sec. 7916A.0303. AUTHORITY FOR ROAD PROJECTS. Under
 2-55 Section 52, Article III, Texas Constitution, the district may
 2-56 design, acquire, construct, finance, issue bonds for, improve,
 2-57 operate, maintain, and convey to this state, a county, or a
 2-58 municipality for operation and maintenance macadamized, graveled,
 2-59 or paved roads, or improvements, including storm drainage, in aid
 2-60 of those roads.
 2-61 Sec. 7916A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-62 road project must meet all applicable construction standards,
 2-63 zoning and subdivision requirements, and regulations of each
 2-64 municipality in whose corporate limits or extraterritorial
 2-65 jurisdiction the road project is located.
 2-66 (b) If a road project is not located in the corporate limits
 2-67 or extraterritorial jurisdiction of a municipality, the road
 2-68 project must meet all applicable construction standards,
 2-69 subdivision requirements, and regulations of each county in which

3-1 the road project is located.
3-2 (c) If the state will maintain and operate the road, the
3-3 Texas Transportation Commission must approve the plans and
3-4 specifications of the road project.
3-5 Sec. 7916A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
3-6 ORDINANCE OR RESOLUTION. The district shall comply with all
3-7 applicable requirements of any ordinance or resolution that is
3-8 adopted under Section 54.016 or 54.0165, Water Code, and that
3-9 consents to the creation of the district or to the inclusion of land
3-10 in the district.
3-11 Sec. 7916A.0306. DIVISION OF DISTRICT. (a) The district
3-12 may be divided into two or more new districts only if the district:
3-13 (1) has no outstanding bonded debt; and
3-14 (2) is not imposing ad valorem taxes.
3-15 (b) This chapter applies to any new district created by the
3-16 division of the district, and a new district has all the powers and
3-17 duties of the district.
3-18 (c) Any new district created by the division of the district
3-19 may not, at the time the new district is created, contain any land
3-20 outside the area described by Section 2 of the Act enacting this
3-21 chapter.
3-22 (d) The board, on its own motion or on receipt of a petition
3-23 signed by the owner or owners of a majority of the assessed value of
3-24 the real property in the district, may adopt an order dividing the
3-25 district.
3-26 (e) The board may adopt an order dividing the district
3-27 before or after the date the board holds an election under Section
3-28 7916A.0103 to confirm the district's creation.
3-29 (f) An order dividing the district shall:
3-30 (1) name each new district;
3-31 (2) include the metes and bounds description of the
3-32 territory of each new district;
3-33 (3) appoint temporary directors for each new district;
3-34 and
3-35 (4) provide for the division of assets and liabilities
3-36 between or among the new districts.
3-37 (g) On or before the 30th day after the date of adoption of
3-38 an order dividing the district, the district shall file the order
3-39 with the commission and record the order in the real property
3-40 records of each county in which the district is located.
3-41 (h) Any new district created by the division of the district
3-42 shall hold a confirmation and directors' election as required by
3-43 Section 7916A.0103. If the voters of a new district do not confirm
3-44 the creation of the new district, the assets, obligations,
3-45 territory, and governance of the new district revert to the
3-46 original district.
3-47 (i) Municipal consent to the creation of the district and to
3-48 the inclusion of land in the district granted under Section
3-49 7916A.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 (j) Any new district created by the division of the district
3-53 must hold an election as required by this chapter to obtain voter
3-54 approval before the district may impose a maintenance tax or issue
3-55 bonds payable wholly or partly from ad valorem taxes.
3-56 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
3-57 Sec. 7916A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-58 The district may issue, without an election, bonds and other
3-59 obligations secured by:
3-60 (1) revenue other than ad valorem taxes; or
3-61 (2) contract payments described by Section
3-62 7916A.0403.
3-63 (b) The district must hold an election in the manner
3-64 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-65 before the district may impose an ad valorem tax or issue bonds
3-66 payable from ad valorem taxes.
3-67 (c) The district may not issue bonds payable from ad valorem
3-68 taxes to finance a road project unless the issuance is approved by a
3-69 vote of a two-thirds majority of the district voters voting at an

4-1 election held for that purpose.
 4-2 Sec. 7916A.0402. OPERATION AND MAINTENANCE TAX. (a) If
 4-3 authorized at an election held under Section 7916A.0401, the
 4-4 district may impose an operation and maintenance tax on taxable
 4-5 property in the district in accordance with Section 49.107, Water
 4-6 Code.
 4-7 (b) The board shall determine the tax rate. The rate may not
 4-8 exceed the rate approved at the election.
 4-9 Sec. 7916A.0403. CONTRACT TAXES. (a) In accordance with
 4-10 Section 49.108, Water Code, the district may impose a tax other than
 4-11 an operation and maintenance tax and use the revenue derived from
 4-12 the tax to make payments under a contract after the provisions of
 4-13 the contract have been approved by a majority of the district voters
 4-14 voting at an election held for that purpose.
 4-15 (b) A contract approved by the district voters may contain a
 4-16 provision stating that the contract may be modified or amended by
 4-17 the board without further voter approval.
 4-18 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS
 4-19 Sec. 7916A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
 4-20 OBLIGATIONS. The district may issue bonds or other obligations
 4-21 payable wholly or partly from ad valorem taxes, impact fees,
 4-22 revenue, contract payments, grants, or other district money, or any
 4-23 combination of those sources, to pay for any authorized district
 4-24 purpose.
 4-25 Sec. 7916A.0502. TAXES FOR BONDS. At the time the district
 4-26 issues bonds payable wholly or partly from ad valorem taxes, the
 4-27 board shall provide for the annual imposition of a continuing
 4-28 direct ad valorem tax, without limit as to rate or amount, while all
 4-29 or part of the bonds are outstanding as required and in the manner
 4-30 provided by Sections 54.601 and 54.602, Water Code.
 4-31 Sec. 7916A.0503. BONDS FOR ROAD PROJECTS. At the time of
 4-32 issuance, the total principal amount of bonds or other obligations
 4-33 issued or incurred to finance road projects and payable from ad
 4-34 valorem taxes may not exceed one-fourth of the assessed value of the
 4-35 real property in the district.
 4-36 SECTION 2. The Chambers County Municipal Utility District
 4-37 No. 7 initially includes all the territory contained in the
 4-38 following area:
 4-39 FIELD NOTES being a called 173.477 Acre Tract (7,556,674 square
 4-40 feet) of land out of and part of the following two (2) Tracts of
 4-41 land:
 4-42 1. A called 173.4 acres described as Tract No. 1, in
 4-43 Warranty Deed with Vendor's Lien from Danny R. Schnautz et al to
 4-44 Cecil W. Parker, Jr. et ux, dated September 30, 2010, recorded under
 4-45 County Clerk's Number 2010-59675 of Chambers County Public Records,
 4-46 Texas.
 4-47 2. A called 225.3 acres described in Warranty Deed with
 4-48 Vendor's Lien from Edmond Earl Ferguson et ux to Cecil W. Parker,
 4-49 Jr., dated December 6, 2016, recorded under County Clerk's Number
 4-50 2016-117814 of the Official Public Records of Chambers County,
 4-51 Texas.
 4-52 Said 173.477 Acre Tract being situated in the Luke Bryan Survey,
 4-53 Abstract 41, and J.T. White Survey, Abstract 387, Chambers County,
 4-54 Texas and being more particularly described by metes and bounds as
 4-55 follows:
 4-56 COMMENING at a point the easterly right-of-way line of State
 4-57 Highway 61 (100 foot wide) being at the northwest corner of a called
 4-58 20.00 Acre Tract, described in Warranty Deed with Vendor's Lien,
 4-59 from Cecil William Parker, Jr to Ybarra-Mitchell Property Group,
 4-60 LLC, dated February 15, 2018, recorded under Chambers County
 4-61 Clerk's File Number 2018-129523 of Chamber County Official Public
 4-62 Records. Said point being the POINT OF BEGINNING having the State
 4-63 Plane Coordinates of N: 13,875,224.88 and E: 3,348,102.41.
 4-64 THENCE North 85° 26' 47" East, along the north line of said 20.00
 4-65 Acre Tract, a distance of 1,506.60 feet to the northeast corner of
 4-66 said called 20.00 Acre Tract and the northwest corner and the POINT
 4-67 OF BEGINNING of the herein described tract of land;
 4-68 THENCE North 85° 26' 47" East, along the south line of J.T. White
 4-69 League, Abstract 300 and the common north line of said called 173.4

5-1 Acre Tract and the Luke Bryan Survey, Abstract 41, at a distance of
5-2 4,233.96 to the northeast corner of said called 173.4 Acre Tract and
5-3 the northwest corner of J.T. White Survey, Abstract 387, Chambers
5-4 County, and the most westerly northwest corner for the said called
5-5 225.3 Acre Tract;
5-6 THENCE North 87° 04' 48" East, along an interior line of said called
5-7 225.3 Acre Tract and the north line of J.T. White Survey, Abstract
5-8 387, at a distance of 575.25 feet pass an interior corner of said
5-9 called 225.3 Acre Tract, continuing for a total distance of 591.25
5-10 feet to a point for the northeast corner of the herein described
5-11 tract;
5-12 THENCE South 03° 54' 16" East, a distance of 1,473.72 feet to a point
5-13 in the south line of said called 225.3 Acre Tract and said point
5-14 being the southeast corner of the herein described tract;
5-15 THENCE South 87° 05' 02" West, along the south line of said called
5-16 225.3 Acre Tract, a distance of 591.25 feet to a point for the
5-17 southwest corner of said called 225.3 Acre Tract and an angle point
5-18 of the herein described tract;
5-19 THENCE North 03° 54' 16" West, along the west line of said called
5-20 225.3 Acre Tract, a distance of 40.28 feet to a point for the
5-21 southeast corner of said called 173.4 acre tract and for an interior
5-22 corner of the herein described tract;
5-23 THENCE South 85° 34' 46" West, along and with the south line of said
5-24 called 173.4 Acre Tract a distance of 4,831.59 feet to a point in
5-25 the easterly right-of-way line of State Highway 61 and same point
5-26 being the common southwest corner of said called 173.4 Acre Tract
5-27 and of the herein described tract;
5-28 THENCE North 37° 29' 13" West, along the easterly right-of-way line
5-29 of State Highway 61, a distance of 890.37 feet to the southwest
5-30 corner of said called 20.00 Acre Tract and same being the most
5-31 westerly northwest corner of the herein described tract;
5-32 THENCE North 84° 34' 37" East, along the south line of said called
5-33 20.00 Acre Tract, a distance of 1,098.05 feet to a point at the
5-34 southeast corner of said called 20.00 Acre Tract same being an
5-35 interior corner of the herein described tract;
5-36 THENCE North 04° 33' 13" West, along the east line of said called
5-37 20.00 Acre Tract, a distance of 658.14 feet to the POINT OF
5-38 BEGINNING and containing 173.477 Acre Tract (7,556,674 square
5-39 feet) of land more or less.

5-40 SECTION 3. (a) The legal notice of the intention to
5-41 introduce this Act, setting forth the general substance of this
5-42 Act, has been published as provided by law, and the notice and a
5-43 copy of this Act have been furnished to all persons, agencies,
5-44 officials, or entities to which they are required to be furnished
5-45 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-46 Government Code.

5-47 (b) The governor, one of the required recipients, has
5-48 submitted the notice and Act to the Texas Commission on
5-49 Environmental Quality.

5-50 (c) The Texas Commission on Environmental Quality has filed
5-51 its recommendations relating to this Act with the governor, the
5-52 lieutenant governor, and the speaker of the house of
5-53 representatives within the required time.

5-54 (d) All requirements of the constitution and laws of this
5-55 state and the rules and procedures of the legislature with respect
5-56 to the notice, introduction, and passage of this Act are fulfilled
5-57 and accomplished.

5-58 SECTION 4. (a) If this Act does not receive a two-thirds
5-59 vote of all the members elected to each house, Subchapter C, Chapter
5-60 7916A, Special District Local Laws Code, as added by Section 1 of
5-61 this Act, is amended by adding Section 7916A.0307 to read as
5-62 follows:

5-63 Sec. 7916A.0307. NO EMINENT DOMAIN POWER. The district may
5-64 not exercise the power of eminent domain.

5-65 (b) This section is not intended to be an expression of a
5-66 legislative interpretation of the requirements of Section 17(c),
5-67 Article I, Texas Constitution.

5-68 SECTION 5. This Act takes effect immediately if it receives
5-69 a vote of two-thirds of all the members elected to each house, as

6-1 provided by Section 39, Article III, Texas Constitution. If this
6-2 Act does not receive the vote necessary for immediate effect, this
6-3 Act takes effect September 1, 2021.

6-4

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