

By: Oliverson

H.B. No. 5385

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Harris County Municipal Utility
3 District No. 582; granting a limited power of eminent domain;
4 providing 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 7959A to read as follows:

9 CHAPTER 7959A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 582

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7959A.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 Harris County Municipal
17 Utility District No. 582.

18 Sec. 7959A.0102. NATURE OF DISTRICT. The district is a
19 municipal utility district created under Section 59, Article XVI,
20 Texas Constitution.

21 Sec. 7959A.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. 7959A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section
3 7959A.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 as required by
7 applicable law.

8 Sec. 7959A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

17 Sec. 7959A.0106. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act enacting this chapter.

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

24 (1) organization, existence, or validity;

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

1 (3) right to impose a tax; or

2 (4) legality or operation.

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 7959A.0201. GOVERNING BODY; TERMS. (a) The district
5 is governed by a board of five elected directors.

6 (b) Except as provided by Section 7959A.0202, directors
7 serve staggered four-year terms.

8 Sec. 7959A.0202. TEMPORARY DIRECTORS. (a) The temporary
9 board consists of:

10 (1) Joshua Tarr;

11 (2) Sarah Hognig;

12 (3) Kevin Stutts;

13 (4) Joseph Monk; and

14 (5) Kenneth Hepburn.

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

16 (1) the date permanent directors are elected under
17 Section 7959A.0103; or

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

20 (c) If permanent directors have not been elected under
21 Section 7959A.0103 and the terms of the temporary directors have
22 expired, successor temporary directors shall be appointed or
23 reappointed as provided by Subsection (d) to serve terms that
24 expire on the earlier of:

25 (1) the date permanent directors are elected under
26 Section 7959A.0103; or

27 (2) the fourth anniversary of the date of the

1 appointment or reappointment.

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

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 7959A.0301. GENERAL POWERS AND DUTIES. The district
11 has the powers and duties necessary to accomplish the purposes for
12 which the district is created.

13 Sec. 7959A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
14 DUTIES. The district has the powers and duties provided by the
15 general law of this state, including Chapters 49 and 54, Water Code,
16 applicable to municipal utility districts created under Section 59,
17 Article XVI, Texas Constitution.

18 Sec. 7959A.0303. AUTHORITY FOR ROAD PROJECTS. Under
19 Section 52, Article III, Texas Constitution, the district may
20 design, acquire, construct, finance, issue bonds for, improve,
21 operate, maintain, and convey to this state, a county, or a
22 municipality for operation and maintenance macadamized, graveled,
23 or paved roads, or improvements, including storm drainage, in aid
24 of those roads.

25 Sec. 7959A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
26 road project must meet all applicable construction standards,
27 zoning and subdivision requirements, and regulations of each

1 municipality in whose corporate limits or extraterritorial
2 jurisdiction the road project is located.

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

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

11 Sec. 7959A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
12 ORDINANCE OR RESOLUTION. The district shall comply with all
13 applicable requirements of any ordinance or resolution that is
14 adopted under Section 54.016 or 54.0165, Water Code, and that
15 consents to the creation of the district or to the inclusion of land
16 in the district.

17 Sec. 7959A.0306. DIVISION OF DISTRICT. (a) The board, on
18 its own motion or on receipt of a petition signed by the owner or
19 owners of a majority of the assessed value of the real property in
20 the district, may adopt an order dividing the district.

21 (b) An order dividing a district may create one or more new
22 districts and may provide for the continuation of the district.

23 (c) An order dividing the district shall:

24 (1) name any new district;

25 (2) include the metes and bounds description of the
26 territory of each of the districts;

27 (3) appoint temporary directors for any new district;

1 and

2 (4) provide for the division of assets and liabilities
3 between the districts.

4 (d) The board may adopt an order dividing the district
5 before or after the date the board holds an election to confirm the
6 district's creation.

7 (e) The district may be divided only if the district:

8 (1) has never issued any bonds; and

9 (2) is not imposing ad valorem taxes.

10 (f) A new district created by the division of the district
11 may not, at the time the new district is created, contain any land
12 outside the area described by Section 2 of the Act enacting this
13 chapter.

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

21 (i) A new district created by the division of the district
22 shall hold a confirmation and directors' election.

23 (j) If the creation of the new district is confirmed, the
24 new district shall provide the election date and results to the
25 commission.

26 (k) A new district created by the division of the district
27 must hold an election as required by this chapter to obtain voter

1 approval before the district may impose a maintenance tax or issue
2 bonds payable wholly or partly from ad valorem taxes.

3 (l) The district may continue to rely on confirmation,
4 directors', bond, or tax elections held prior to the division.

5 (m) Municipal consent to the creation of the district and to
6 the inclusion of land in the district acts as municipal consent to
7 the creation of any new district created by the division of the
8 district and to the inclusion of land in the new district.

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 7959A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
11 The district may issue, without an election, bonds and other
12 obligations secured by:

- 13 (1) revenue other than ad valorem taxes; or
14 (2) contract payments described by Section
15 7959A.0403.

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

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

24 Sec. 7959A.0402. OPERATION AND MAINTENANCE TAX. (a) If
25 authorized at an election held under Section 7959A.0401, the
26 district may impose an operation and maintenance tax on taxable
27 property in the district in accordance with Section 49.107, Water

1 Code.

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

4 Sec. 7959A.0403. CONTRACT TAXES. (a) In accordance with
5 Section 49.108, Water Code, the district may impose a tax other than
6 an operation and maintenance tax and use the revenue derived from
7 the tax to make payments under a contract after the provisions of
8 the contract have been approved by a majority of the district voters
9 voting at an election held for that purpose.

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

13 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

14 Sec. 7959A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
15 OBLIGATIONS. The district may issue bonds or other obligations
16 payable wholly or partly from ad valorem taxes, impact fees,
17 revenue, contract payments, grants, or other district money, or any
18 combination of those sources, to pay for any authorized district
19 purpose.

20 Sec. 7959A.0502. TAXES FOR BONDS. At the time the district
21 issues bonds payable wholly or partly from ad valorem taxes, the
22 board shall provide for the annual imposition of a continuing
23 direct ad valorem tax, without limit as to rate or amount, while all
24 or part of the bonds are outstanding as required and in the manner
25 provided by Sections 54.601 and 54.602, Water Code.

26 Sec. 7959A.0503. BONDS FOR ROAD PROJECTS. At the time of
27 issuance, the total principal amount of bonds or other obligations

1 issued or incurred to finance road projects and payable from ad
2 valorem taxes may not exceed one-fourth of the assessed value of the
3 real property in the district.

4 SECTION 2. The Harris County Municipal Utility District
5 No. 582 initially includes all the territory contained in the
6 following area:

7 A 195.749 acre, (8,526,822 square feet more or less) tract of
8 land, being all of Tract 1, a called 97.850 acre tract conveyed to
9 Joe D. Wood and Tract 2, a called 97.850 acre tract of conveyed to
10 Zola Wood Cater as described in a deed recorded in Clerk's File
11 No. 20140535364 in the Official Public Records of Harris County,
12 Texas, situated in the I. & G.N. Railroad Company Survey, Abstract
13 No. 966, Harris County, Texas. Said 195.749 acre tract being more
14 fully described as follows, with bearings based on the Texas
15 Coordinate System established for the South Central Zone from the
16 North American Datum of 1983 (NA2011) epoch 2010.00:

17 BEGINNING: At a railroad spike found for the northwest
18 corner of a said Tract 1, 97.850 acre tract, the northeast corner of
19 a called 5.0001 acre tract conveyed to Eduardo Loya as described in
20 a deed recorded in Clerk's File No. T085516 of the Official Public
21 Records of Real Property of Harris County, Texas, in the Centerline
22 of Mayer Road (called 60' wide right-of-way, per WPA Official
23 Project No. 65-1-66-2749), and in the apparent survey line of I. &
24 G.M. Railroad Survey Company, Abstract No. 966 and Samuel Kelly
25 Survey, Abstract No. 501;

26 THENCE: N 87°29'16" E, along and with the north line of said
27 Tract 1, 97.850 acre tract, the north line of said Tract 2, 97.850

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1 acre tract, the center line of said Mayer Road, the north line of
2 Abstract No. 966 and the south line of Abstract No. 501, a distance
3 of 3,143.68 feet to a mag nail with shiner stamped "Pape-Dawson" set
4 for the northeast corner of said Tract 2, 97.850 acre tract, the
5 northeast corner of Abstract No. 966, the southeast corner of
6 Abstract No. 501, The southwest corner of the B.B.B.&C. Company
7 Survey, Abstract No. 171, the northwest corner of B.B.B.&C.
8 Railroad Company Survey, Abstract No. 170, and in the center line
9 of said Mayer Road, from which a 1 inch iron pipe bears
10 N 17°34'00" W, a distance of 9.84 feet;

11 THENCE: S 02°16'53" E, departing the center line of said
12 Mayer Road, along and with the east line of said Tract 2, 97.850
13 acre tract, the west line of a called 617.91 acre tract conveyed to
14 Henry Schmidt, Jr. as described in a deed recorded in Clerk's File
15 No. G359500 of the Official Public Records of Real Property of
16 Harris County, Texas, the apparent east line of said Abstract
17 No. 966 and the west line of said Abstract No. 170, passing at a
18 distance of 30.00 feet a 5/8 inch iron rod with cap stamped
19 "Pape-Dawson" set in the south right-of-way line of Mayer road, in
20 the east line of said Tract 2, and the northwest corner of said
21 617.91 acre tract, continuing for a total distance of 3,296.84 feet
22 (called 3296.36 feet) to a 1/2 inch iron rod with cap found for the
23 southeast corner of said Tract 2, 97.850 acre tract, the northeast
24 corner of a called 22.029 acre tract conveyed to Lawrence
25 Frattalone, Jr. as described in a deed recorded in Clerk's File
26 No. X5447505 of the Official Public Records of Real Property of
27 Harris County, Texas, in the west line of said 617.91 acre tract,

1 the apparent east line of said Abstract No. 966 and the apparent
2 west line of said Abstract No. 170;

3 THENCE: S 88°14'50" W, along and with the south line of said
4 Tract 2, 97.850 acre tract and the north line of said 22.029 acre
5 tract, a distance of 796.15 feet to a 5/8 inch iron rod with cap
6 stamped "Pape-Dawson" set for a southwest corner of said Tract 2,
7 97.850 acre tract, the northwest corner of said 22.029 acre tract,
8 and in the east line of a called 13.265 acre tract conveyed to Larry
9 Frattalone as described in a deed recorded in Clerk's File
10 No. Z406306 of the Official Public Records of Real Property of
11 Harris County, Texas;

12 THENCE: N 02°32'31" W, along and with a west line of said
13 Tract 2, 97.850 acre tract, the east line of said 13.265 acre tract
14 and the east line of a called 11.765 acre tract conveyed to Larry
15 Frattalone as described in a deed recorded in Clerk's File
16 No. Z406306 of the Official Public Records of Real Property of
17 Harris County, Texas, a distance of 770.69 feet (called 770.62
18 feet) to a 5/8 inch ironrod with cap stamped "Pape-Dawson" set for
19 an interior corner of said Tract 2, 97.850 acre tract and the
20 northeast corner of said 11.765 acre tract;

21 THENCE: S 87°24'01" W, along and with a south line of said
22 Tract 1 and Tract 2, the north line of said 11.765 acre tract, the
23 north line of a called 51.125 acre tract conveyed to Edwin Lee
24 Kohutek, Jr. as described in a deed recorded in Clerk's File
25 No. U725401 of the Official Public Records of Real Property of
26 Harris County, Texas, and the north line of a called 159.96 acre
27 tract conveyed to Texas FLG, LLC as described in a deed recorded in

1 Clerk's File No. RP-2018-421130 of the Official Public Records of
2 Real Property of Harris County, Texas, passing a distance of
3 1,787.90 feet a 1 inch bar found for the northwest corner of said
4 51.125 acre tract and a northeast corner of said 159.96 acre tract,
5 a total distance of 2,340.39 feet to a 1/2 inch iron rod found for a
6 southwest corner of said Tract 1, interior corner of said 159.96
7 acre tract;

8 THENCE: N 02°21'55" W, along and with the west line of Tract
9 1, passing at a distance of 591.43 feet to a 1/2 inch iron rod, 1.82'
10 left, passing at a distance of 2,489.15 feet a 5/8 inch iron rod
11 with cap stamped "Pape Dawson" set in the south right-of-way line of
12 Mayer Road, and continuing for a total distance of 2,519.15 feet
13 (called 2518.74 feet) to the POINT OF BEGINNING, and containing
14 195.749 total acres, having 2.165 acres within the right-of-way of
15 Mayer Road, leaving 193.584 net acres in Harris County, Texas. Said
16 tract being described in accordance with a survey made on the ground
17 and a survey map prepared under job number 49181-20 by Pape-Dawson
18 Engineers, Inc.

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

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

6 (d) All requirements of the constitution and laws of this
7 state and the rules and procedures of the legislature with respect
8 to the notice, introduction, and passage of this Act are fulfilled
9 and accomplished.

10 SECTION 4. (a) If this Act does not receive a two-thirds
11 vote of all the members elected to each house, Subchapter C, Chapter
12 7959A, Special District Local Laws Code, as added by Section 1 of
13 this Act, is amended by adding Section 7959A.0307 to read as
14 follows:

15 Sec. 7959A.0307. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

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

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2023.