

1-1 By: Oliverson (Senate Sponsor - Kolkhorst) H.B. No. 5385  
 1-2 (In the Senate - Received from the House May 10, 2023;  
 1-3 May 10, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 15, 2023, reported favorably by the following  
 1-5 vote: Yeas 7, Nays 0; May 15, 2023, sent to printer.)

1-6 COMMITTEE VOTE

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

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

1-19 relating to the creation of the Harris County Municipal Utility  
 1-20 District No. 582; granting a limited power of eminent domain;  
 1-21 providing 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 7959A to read as follows:

1-26 CHAPTER 7959A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 582

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7959A.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 Harris County Municipal  
 1-34 Utility District No. 582.

1-35 Sec. 7959A.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. 7959A.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. 7959A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 7959A.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 as required by  
 1-48 applicable law.

1-49 Sec. 7959A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-50 (a) The district is created to serve a public purpose and benefit.

1-51 (b) The district is created to accomplish the purposes of:

1-52 (1) a municipal utility district as provided by  
 1-53 general law and Section 59, Article XVI, Texas Constitution; and

1-54 (2) Section 52, Article III, Texas Constitution, that  
 1-55 relate to the construction, acquisition, improvement, operation,  
 1-56 or maintenance of macadamized, graveled, or paved roads, or  
 1-57 improvements, including storm drainage, in aid of those roads.

1-58 Sec. 7959A.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-59 district is initially composed of the territory described by  
 1-60 Section 2 of the Act enacting this chapter.

1-61 (b) The boundaries and field notes contained in Section 2 of

2-1 the Act enacting this chapter form a closure. A mistake made in the  
2-2 field notes or in copying the field notes in the legislative process  
2-3 does not affect the district's:

- 2-4 (1) organization, existence, or validity;
- 2-5 (2) right to issue any type of bond for the purposes  
2-6 for which the district is created or to pay the principal of and  
2-7 interest on a bond;
- 2-8 (3) right to impose a tax; or
- 2-9 (4) legality or operation.

2-10 SUBCHAPTER B. BOARD OF DIRECTORS

2-11 Sec. 7959A.0201. GOVERNING BODY; TERMS. (a) The district  
2-12 is governed by a board of five elected directors.

2-13 (b) Except as provided by Section 7959A.0202, directors  
2-14 serve staggered four-year terms.

2-15 Sec. 7959A.0202. TEMPORARY DIRECTORS. (a) The temporary  
2-16 board consists of:

- 2-17 (1) Joshua Tarr;
- 2-18 (2) Sarah Hognig;
- 2-19 (3) Kevin Stutts;
- 2-20 (4) Joseph Monk; and
- 2-21 (5) Kenneth Hepburn.

2-22 (b) Temporary directors serve until the earlier of:

- 2-23 (1) the date permanent directors are elected under  
2-24 Section 7959A.0103; or
- 2-25 (2) the fourth anniversary of the effective date of  
2-26 the Act enacting this chapter.

2-27 (c) If permanent directors have not been elected under  
2-28 Section 7959A.0103 and the terms of the temporary directors have  
2-29 expired, successor temporary directors shall be appointed or  
2-30 reappointed as provided by Subsection (d) to serve terms that  
2-31 expire on the earlier of:

- 2-32 (1) the date permanent directors are elected under  
2-33 Section 7959A.0103; or
- 2-34 (2) the fourth anniversary of the date of the  
2-35 appointment or reappointment.

2-36 (d) If Subsection (c) applies, the owner or owners of a  
2-37 majority of the assessed value of the real property in the district  
2-38 may submit a petition to the commission requesting that the  
2-39 commission appoint as successor temporary directors the five  
2-40 persons named in the petition. The commission shall appoint as  
2-41 successor temporary directors the five persons named in the  
2-42 petition.

2-43 SUBCHAPTER C. POWERS AND DUTIES

2-44 Sec. 7959A.0301. GENERAL POWERS AND DUTIES. The district  
2-45 has the powers and duties necessary to accomplish the purposes for  
2-46 which the district is created.

2-47 Sec. 7959A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
2-48 DUTIES. The district has the powers and duties provided by the  
2-49 general law of this state, including Chapters 49 and 54, Water Code,  
2-50 applicable to municipal utility districts created under Section 59,  
2-51 Article XVI, Texas Constitution.

2-52 Sec. 7959A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
2-53 Section 52, Article III, Texas Constitution, the district may  
2-54 design, acquire, construct, finance, issue bonds for, improve,  
2-55 operate, maintain, and convey to this state, a county, or a  
2-56 municipality for operation and maintenance macadamized, graveled,  
2-57 or paved roads, or improvements, including storm drainage, in aid  
2-58 of those roads.

2-59 Sec. 7959A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
2-60 road project must meet all applicable construction standards,  
2-61 zoning and subdivision requirements, and regulations of each  
2-62 municipality in whose corporate limits or extraterritorial  
2-63 jurisdiction the road project is located.

2-64 (b) If a road project is not located in the corporate limits  
2-65 or extraterritorial jurisdiction of a municipality, the road  
2-66 project must meet all applicable construction standards,  
2-67 subdivision requirements, and regulations of each county in which  
2-68 the road project is located.

2-69 (c) If the state will maintain and operate the road, the

3-1 Texas Transportation Commission must approve the plans and  
 3-2 specifications of the road project.

3-3 Sec. 7959A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 3-4 ORDINANCE OR RESOLUTION. The district shall comply with all  
 3-5 applicable requirements of any ordinance or resolution that is  
 3-6 adopted under Section 54.016 or 54.0165, Water Code, and that  
 3-7 consents to the creation of the district or to the inclusion of land  
 3-8 in the district.

3-9 Sec. 7959A.0306. DIVISION OF DISTRICT. (a) The board, on  
 3-10 its own motion or on receipt of a petition signed by the owner or  
 3-11 owners of a majority of the assessed value of the real property in  
 3-12 the district, may adopt an order dividing the district.

3-13 (b) An order dividing a district may create one or more new  
 3-14 districts and may provide for the continuation of the district.

3-15 (c) An order dividing the district shall:

3-16 (1) name any new district;

3-17 (2) include the metes and bounds description of the  
 3-18 territory of each of the districts;

3-19 (3) appoint temporary directors for any new district;  
 3-20 and

3-21 (4) provide for the division of assets and liabilities  
 3-22 between the districts.

3-23 (d) The board may adopt an order dividing the district  
 3-24 before or after the date the board holds an election to confirm the  
 3-25 district's creation.

3-26 (e) The district may be divided only if the district:

3-27 (1) has never issued any bonds; and

3-28 (2) is not imposing ad valorem taxes.

3-29 (f) A new district created by the division of the district  
 3-30 may not, at the time the new district is created, contain any land  
 3-31 outside the area described by Section 2 of the Act enacting this  
 3-32 chapter.

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) This chapter applies to any new district created by the  
 3-38 division of the district, and a new district has all the powers and  
 3-39 duties of the district.

3-40 (i) A new district created by the division of the district  
 3-41 shall hold a confirmation and directors' election.

3-42 (j) If the creation of the new district is confirmed, the  
 3-43 new district shall provide the election date and results to the  
 3-44 commission.

3-45 (k) A new district created by the division of the district  
 3-46 must hold an election as required by this chapter to obtain voter  
 3-47 approval before the district may impose a maintenance tax or issue  
 3-48 bonds payable wholly or partly from ad valorem taxes.

3-49 (l) The district may continue to rely on confirmation,  
 3-50 directors', bond, or tax elections held prior to the division.

3-51 (m) Municipal consent to the creation of the district and to  
 3-52 the inclusion of land in the district acts as municipal consent to  
 3-53 the creation of any new district created by the division of the  
 3-54 district and to the inclusion of land in the new district.

#### 3-55 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-56 Sec. 7959A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
 3-57 The district may issue, without an election, bonds and other  
 3-58 obligations secured by:

3-59 (1) revenue other than ad valorem taxes; or

3-60 (2) contract payments described by Section  
 3-61 7959A.0403.

3-62 (b) The district must hold an election in the manner  
 3-63 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-64 before the district may impose an ad valorem tax or issue bonds  
 3-65 payable from ad valorem taxes.

3-66 (c) The district may not issue bonds payable from ad valorem  
 3-67 taxes to finance a road project unless the issuance is approved by a  
 3-68 vote of a two-thirds majority of the district voters voting at an  
 3-69 election held for that purpose.

4-1 Sec. 7959A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
 4-2 authorized at an election held under Section 7959A.0401, the  
 4-3 district may impose an operation and maintenance tax on taxable  
 4-4 property in the district in accordance with Section 49.107, Water  
 4-5 Code.

4-6 (b) The board shall determine the tax rate. The rate may not  
 4-7 exceed the rate approved at the election.

4-8 Sec. 7959A.0403. CONTRACT TAXES. (a) In accordance with  
 4-9 Section 49.108, Water Code, the district may impose a tax other than  
 4-10 an operation and maintenance tax and use the revenue derived from  
 4-11 the tax to make payments under a contract after the provisions of  
 4-12 the contract have been approved by a majority of the district voters  
 4-13 voting at an election held for that purpose.

4-14 (b) A contract approved by the district voters may contain a  
 4-15 provision stating that the contract may be modified or amended by  
 4-16 the board without further voter approval.

#### 4-17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-18 Sec. 7959A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
 4-19 OBLIGATIONS. The district may issue bonds or other obligations  
 4-20 payable wholly or partly from ad valorem taxes, impact fees,  
 4-21 revenue, contract payments, grants, or other district money, or any  
 4-22 combination of those sources, to pay for any authorized district  
 4-23 purpose.

4-24 Sec. 7959A.0502. TAXES FOR BONDS. At the time the district  
 4-25 issues bonds payable wholly or partly from ad valorem taxes, the  
 4-26 board shall provide for the annual imposition of a continuing  
 4-27 direct ad valorem tax, without limit as to rate or amount, while all  
 4-28 or part of the bonds are outstanding as required and in the manner  
 4-29 provided by Sections 54.601 and 54.602, Water Code.

4-30 Sec. 7959A.0503. BONDS FOR ROAD PROJECTS. At the time of  
 4-31 issuance, the total principal amount of bonds or other obligations  
 4-32 issued or incurred to finance road projects and payable from ad  
 4-33 valorem taxes may not exceed one-fourth of the assessed value of the  
 4-34 real property in the district.

4-35 SECTION 2. The Harris County Municipal Utility District  
 4-36 No. 582 initially includes all the territory contained in the  
 4-37 following area:

4-38 A 195.749 acre, (8,526,822 square feet more or less) tract of  
 4-39 land, being all of Tract 1, a called 97.850 acre tract conveyed to  
 4-40 Joe D. Wood and Tract 2, a called 97.850 acre tract of conveyed to  
 4-41 Zola Wood Cater as described in a deed recorded in Clerk's File  
 4-42 No. 20140535364 in the Official Public Records of Harris County,  
 4-43 Texas, situated in the I. & G.N. Railroad Company Survey, Abstract  
 4-44 No. 966, Harris County, Texas. Said 195.749 acre tract being more  
 4-45 fully described as follows, with bearings based on the Texas  
 4-46 Coordinate System established for the South Central Zone from the  
 4-47 North American Datum of 1983 (NA2011) epoch 2010.00:

4-48 BEGINNING: At a railroad spike found for the northwest  
 4-49 corner of a said Tract 1, 97.850 acre tract, the northeast corner of  
 4-50 a called 5.0001 acre tract conveyed to Eduardo Loya as described in  
 4-51 a deed recorded in Clerk's File No. T085516 of the Official Public  
 4-52 Records of Real Property of Harris County, Texas, in the Centerline  
 4-53 of Mayer Road ( called 60' wide right-of-way, per WPA Official  
 4-54 Project No. 65-1-66-2749), and in the apparent survey line of I. &  
 4-55 G.M. Railroad Survey Company, Abstract No. 966 and Samuel Kelly  
 4-56 Survey, Abstract No. 501;

4-57 THENCE: N 87°29'16" E, along and with the north line of said  
 4-58 Tract 1, 97.850 acre tract, the north line of said Tract 2, 97.850  
 4-59 acre tract, the center line of said Mayer Road, the north line of  
 4-60 Abstract No. 966 and the south line of Abstract No. 501, a distance  
 4-61 of 3,143.68 feet to a mag nail with shiner stamped "Pape-Dawson" set  
 4-62 for the northeast corner of said Tract 2, 97.850 acre tract, the  
 4-63 northeast corner of Abstract No. 966, the southeast corner of  
 4-64 Abstract No. 501, The southwest corner of the B.B.B.&C. Company  
 4-65 Survey, Abstract No. 171, the northwest corner of B.B.B.&C.  
 4-66 Railroad Company Survey, Abstract No. 170, and in the center line  
 4-67 of said Mayer Road, from which a 1 inch iron pipe bears  
 4-68 N 17°34'00" W, a distance of 9.84 feet;

4-69 THENCE: S 02°16'53" E, departing the center line of said

5-1 Mayer Road, along and with the east line of said Tract 2, 97.850  
 5-2 acre tract, the west line of a called 617.91 acre tract conveyed to  
 5-3 Henry Schmidt, Jr. as described in a deed recorded in Clerk's File  
 5-4 No. G359500 of the Official Public Records of Real Property of  
 5-5 Harris County, Texas, the apparent east line of said Abstract  
 5-6 No. 966 and the west line of said Abstract No. 170, passing at a  
 5-7 distance of 30.00 feet a 5/8 inch iron rod with cap stamped  
 5-8 "Pape-Dawson" set in the south right-of-way line of Mayer road, in  
 5-9 the east line of said Tract 2, and the northwest corner of said  
 5-10 617.91 acre tract, continuing for a total distance of 3,296.84 feet  
 5-11 (called 3296.36 feet) to a 1/2 inch iron rod with cap found for the  
 5-12 southeast corner of said Tract 2, 97.850 acre tract, the northeast  
 5-13 corner of a called 22.029 acre tract conveyed to Lawrence  
 5-14 Frattalone, Jr. as described in a deed recorded in Clerk's File  
 5-15 No. X5447505 of the Official Public Records of Real Property of  
 5-16 Harris County, Texas, in the west line of said 617.91 acre tract,  
 5-17 the apparent east line of said Abstract No. 966 and the apparent  
 5-18 west line of said Abstract No. 170;

5-19 THENCE: S 88°14'50" W, along and with the south line of said  
 5-20 Tract 2, 97.850 acre tract and the north line of said 22.029 acre  
 5-21 tract, a distance of 796.15 feet to a 5/8 inch iron rod with cap  
 5-22 stamped "Pape-Dawson" set for a southwest corner of said Tract 2,  
 5-23 97.850 acre tract, the northwest corner of said 22.029 acre tract,  
 5-24 and in the east line of a called 13.265 acre tract conveyed to Larry  
 5-25 Frattalone as described in a deed recorded in Clerk's File  
 5-26 No. Z406306 of the Official Public Records of Real Property of  
 5-27 Harris County, Texas;

5-28 THENCE: N 02°32'31" W, along and with a west line of said  
 5-29 Tract 2, 97.850 acre tract, the east line of said 13.265 acre tract  
 5-30 and the east line of a called 11.765 acre tract conveyed to Larry  
 5-31 Frattalone as described in a deed recorded in Clerk's File  
 5-32 No. Z406306 of the Official Public Records of Real Property of  
 5-33 Harris County, Texas, a distance of 770.69 feet (called 770.62  
 5-34 feet) to a 5/8 inch iron rod with cap stamped "Pape-Dawson" set for  
 5-35 an interior corner of said Tract 2, 97.850 acre tract and the  
 5-36 northeast corner of said 11.765 acre tract;

5-37 THENCE: S 87°24'01" W, along and with a south line of said  
 5-38 Tract 1 and Tract 2, the north line of said 11.765 acre tract, the  
 5-39 north line of a called 51.125 acre tract conveyed to Edwin Lee  
 5-40 Kohutek, Jr. as described in a deed recorded in Clerk's File  
 5-41 No. U725401 of the Official Public Records of Real Property of  
 5-42 Harris County, Texas, and the north line of a called 159.96 acre  
 5-43 tract conveyed to Texas FLG, LLC as described in a deed recorded in  
 5-44 Clerk's File No. RP-2018-421130 of the Official Public Records of  
 5-45 Real Property of Harris County, Texas, passing a distance of  
 5-46 1,787.90 feet a 1 inch bar found for the northwest corner of said  
 5-47 51.125 acre tract and a northeast corner of said 159.96 acre tract,  
 5-48 a total distance of 2,340.39 feet to a 1/2 inch iron rod found for a  
 5-49 southwest corner of said Tract 1, interior corner of said 159.96  
 5-50 acre tract;

5-51 THENCE: N 02°21'55" W, along and with the west line of Tract  
 5-52 1, passing at a distance of 591.43 feet to a 1/2 inch iron rod, 1.82'  
 5-53 left, passing at a distance of 2,489.15 feet a 5/8 inch iron rod  
 5-54 with cap stamped "Pape Dawson" set in the south right-of-way line of  
 5-55 Mayer Road, and continuing for a total distance of 2,519.15 feet  
 5-56 (called 2518.74 feet) to the POINT OF BEGINNING, and containing  
 5-57 195.749 total acres, having 2.165 acres within the right-of-way of  
 5-58 Mayer Road, leaving 193.584 net acres in Harris County, Texas. Said  
 5-59 tract being described in accordance with a survey made on the ground  
 5-60 and a survey map prepared under job number 49181-20 by Pape-Dawson  
 5-61 Engineers, Inc.

5-62 SECTION 3. (a) The legal notice of the intention to  
 5-63 introduce this Act, setting forth the general substance of this  
 5-64 Act, has been published as provided by law, and the notice and a  
 5-65 copy of this Act have been furnished to all persons, agencies,  
 5-66 officials, or entities to which they are required to be furnished  
 5-67 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 5-68 Government Code.

5-69 (b) The governor, one of the required recipients, has

6-1 submitted the notice and Act to the Texas Commission on  
6-2 Environmental Quality.

6-3 (c) The Texas Commission on Environmental Quality has filed  
6-4 its recommendations relating to this Act with the governor, the  
6-5 lieutenant governor, and the speaker of the house of  
6-6 representatives within the required time.

6-7 (d) All requirements of the constitution and laws of this  
6-8 state and the rules and procedures of the legislature with respect  
6-9 to the notice, introduction, and passage of this Act are fulfilled  
6-10 and accomplished.

6-11 SECTION 4. (a) If this Act does not receive a two-thirds  
6-12 vote of all the members elected to each house, Subchapter C, Chapter  
6-13 7959A, Special District Local Laws Code, as added by Section 1 of  
6-14 this Act, is amended by adding Section 7959A.0307 to read as  
6-15 follows:

6-16 Sec. 7959A.0307. NO EMINENT DOMAIN POWER. The district may  
6-17 not exercise the power of eminent domain.

6-18 (b) This section is not intended to be an expression of a  
6-19 legislative interpretation of the requirements of Section 17(c),  
6-20 Article I, Texas Constitution.

6-21 SECTION 5. This Act takes effect immediately if it receives  
6-22 a vote of two-thirds of all the members elected to each house, as  
6-23 provided by Section 39, Article III, Texas Constitution. If this  
6-24 Act does not receive the vote necessary for immediate effect, this  
6-25 Act takes effect September 1, 2023.

6-26

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