

1-1 By: Kitzman (Senate Sponsor - Kolkhorst) H.B. No. 5411  
 1-2 (In the Senate - Received from the House May 15, 2023;  
 1-3 May 15, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 19, 2023, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 19, 2023, 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 board of directors and powers and duties of the  
 1-20 Twinwood Municipal Utility District No. 1; providing authority to  
 1-21 issue bonds; providing authority to impose assessments, fees, and  
 1-22 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 8026A to read as follows:

1-26 CHAPTER 8026A. TWINWOOD MUNICIPAL UTILITY DISTRICT NO. 1

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8026A.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 Twinwood Municipal Utility  
 1-34 District No. 1.

1-35 Sec. 8026A.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. 8026A.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. 8026A.0104. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-43 (a) The district is created to serve a public purpose and benefit.

1-44 (b) The district is created to accomplish the purposes of:

1-45 (1) a municipal utility district as provided by  
 1-46 general law and Section 59, Article XVI, Texas Constitution; and

1-47 (2) Section 52, Article III, Texas Constitution, that  
 1-48 relate to the construction, acquisition, improvement, operation,  
 1-49 or maintenance of macadamized, graveled, or paved roads, or  
 1-50 improvements, including storm drainage, in aid of those roads.

1-51 SUBCHAPTER B. BOARD OF DIRECTORS

1-52 Sec. 8026A.0201. GOVERNING BODY; TERMS. (a) The district  
 1-53 is governed by a board of five elected directors.

1-54 (b) Except as provided by Section 8026A.0202, directors  
 1-55 serve staggered four-year terms.

1-56 Sec. 8026A.0202. TEMPORARY DIRECTORS. (a) The temporary  
 1-57 board consists of:

1-58 (1) LaKeta Morris;

1-59 (2) Brian Alexander;

1-60 (3) Jennifer Ramirez;

1-61 (4) Kyle Jones; and

2-1 (5) John Northington Jr.

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

2-3 (1) the date permanent directors are elected under  
2-4 Section 8026A.0103; or

2-5 (2) the fourth anniversary of the effective date of  
2-6 the Act enacting this chapter.

2-7 (c) If permanent directors have not been elected under  
2-8 Section 8026A.0103 and the terms of the temporary directors have  
2-9 expired, successor temporary directors shall be appointed or  
2-10 reappointed as provided by Subsection (d) to serve terms that  
2-11 expire on the earlier of:

2-12 (1) the date permanent directors are elected under  
2-13 Section 8026A.0103; or

2-14 (2) the fourth anniversary of the date of the  
2-15 appointment or reappointment.

2-16 (d) If Subsection (c) applies, the owner or owners of a  
2-17 majority of the assessed value of the real property in the district  
2-18 may submit a petition to the commission requesting that the  
2-19 commission appoint as successor temporary directors the five  
2-20 persons named in the petition. The commission shall appoint as  
2-21 successor temporary directors the five persons named in the  
2-22 petition.

#### 2-23 SUBCHAPTER C. POWERS AND DUTIES

2-24 Sec. 8026A.0301. GENERAL POWERS AND DUTIES. The district  
2-25 has the powers and duties necessary to accomplish the purposes for  
2-26 which the district is created.

2-27 Sec. 8026A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
2-28 DUTIES. The district has the powers and duties provided by the  
2-29 general law of this state, including Chapters 49 and 54, Water Code,  
2-30 applicable to municipal utility districts created under Section 59,  
2-31 Article XVI, Texas Constitution.

2-32 Sec. 8026A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
2-33 Section 52, Article III, Texas Constitution, the district may  
2-34 design, acquire, construct, finance, issue bonds for, improve,  
2-35 operate, maintain, and convey to this state, a county, or a  
2-36 municipality for operation and maintenance macadamized, graveled,  
2-37 or paved roads, or improvements, including storm drainage, in aid  
2-38 of those roads.

2-39 Sec. 8026A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
2-40 road project must meet all applicable construction standards,  
2-41 zoning and subdivision requirements, and regulations of each  
2-42 municipality in whose corporate limits or extraterritorial  
2-43 jurisdiction the road project is located.

2-44 (b) If a road project is not located in the corporate limits  
2-45 or extraterritorial jurisdiction of a municipality, the road  
2-46 project must meet all applicable construction standards,  
2-47 subdivision requirements, and regulations of each county in which  
2-48 the road project is located.

2-49 (c) If the state will maintain and operate the road, the  
2-50 Texas Transportation Commission must approve the plans and  
2-51 specifications of the road project.

2-52 Sec. 8026A.0305. DIVISION OF DISTRICT. (a) The board, on  
2-53 its own motion or on receipt of a petition signed by the owner or  
2-54 owners of a majority of the assessed value of the real property in  
2-55 the district, may adopt an order dividing the district.

2-56 (b) An order dividing a district may create one or more new  
2-57 districts and may provide for the continuation of the district.

2-58 (c) An order dividing the district shall:

2-59 (1) name any new district;

2-60 (2) include the metes and bounds description of the  
2-61 territory of each of the districts;

2-62 (3) appoint temporary directors for any new district;  
2-63 and

2-64 (4) provide for the division of assets and liabilities  
2-65 between the districts.

2-66 (d) The board may adopt an order dividing the district  
2-67 before or after the date the board holds an election to confirm the  
2-68 district's creation.

2-69 (e) The district may be divided only if the district:

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

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

3-3 (f) A new district created by the division of the district  
3-4 may not, at the time the new district is created, contain any land  
3-5 outside the territory of the district as it existed on January 1,  
3-6 2023.

3-7 (g) On or before the 30th day after the date of adoption of  
3-8 an order dividing the district, the district shall file the order  
3-9 with the commission and record the order in the real property  
3-10 records of each county in which the district is located.

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

3-14 (i) A new district created by the division of the district  
3-15 shall hold a confirmation and directors' election.

3-16 (j) If the creation of the new district is confirmed, the  
3-17 new district shall provide the election date and results to the  
3-18 commission.

3-19 (k) A new district created by the division of the district  
3-20 must hold an election as required by this chapter to obtain voter  
3-21 approval before the district may impose a maintenance tax or issue  
3-22 bonds payable wholly or partly from ad valorem taxes.

3-23 (l) The district may continue to rely on confirmation,  
3-24 directors', bond, or tax elections held prior to the division.

3-25 (m) Municipal consent to the creation of the district and to  
3-26 the inclusion of land in the district acts as municipal consent to  
3-27 the creation of any new district created by the division of the  
3-28 district and to the inclusion of land in the new district.

#### 3-29 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

3-30 Sec. 8026A.0401. AUTHORITY TO ISSUE BONDS AND OTHER  
3-31 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
3-32 other obligations payable wholly or partly from ad valorem taxes,  
3-33 revenue, contract payments, grants, or other district money, or any  
3-34 combination of those sources, to pay for a road project authorized  
3-35 by Section 8026A.0303.

3-36 (b) The district may not issue bonds payable from ad valorem  
3-37 taxes to finance a road project unless the issuance is approved by a  
3-38 vote of a two-thirds majority of the district voters voting at an  
3-39 election held for that purpose.

3-40 (c) At the time of issuance, the total principal amount of  
3-41 bonds or other obligations issued or incurred to finance road  
3-42 projects and payable from ad valorem taxes may not exceed  
3-43 one-fourth of the assessed value of the real property in the  
3-44 district.

3-45 Sec. 8026A.0402. TAXES FOR BONDS. At the time the district  
3-46 issues bonds payable wholly or partly from ad valorem taxes, the  
3-47 board shall provide for the annual imposition of a continuing  
3-48 direct ad valorem tax, without limit as to rate or amount, while all  
3-49 or part of the bonds are outstanding as required and in the manner  
3-50 provided by Sections 54.601 and 54.602, Water Code.

3-51 SECTION 2. The Twinwood Municipal Utility District No. 1  
3-52 retains all the rights, powers, privileges, authority, duties, and  
3-53 functions that it had before the effective date of this Act.

3-54 SECTION 3. (a) The legislature validates and confirms all  
3-55 governmental acts and proceedings of the Twinwood Municipal Utility  
3-56 District No. 1 that were taken before the effective date of this  
3-57 Act.

3-58 (b) This section does not apply to any matter that on the  
3-59 effective date of this Act:

3-60 (1) is involved in litigation if the litigation  
3-61 ultimately results in the matter being held invalid by a final court  
3-62 judgment; or

3-63 (2) has been held invalid by a final court judgment.

3-64 SECTION 4. (a) The legal notice of the intention to  
3-65 introduce this Act, setting forth the general substance of this  
3-66 Act, has been published as provided by law, and the notice and a  
3-67 copy of this Act have been furnished to all persons, agencies,  
3-68 officials, or entities to which they are required to be furnished  
3-69 under Section 59, Article XVI, Texas Constitution, and Chapter 313,

4-1 Government Code.

4-2 (b) The governor, one of the required recipients, has  
4-3 submitted the notice and Act to the Texas Commission on  
4-4 Environmental Quality.

4-5 (c) The Texas Commission on Environmental Quality has filed  
4-6 its recommendations relating to this Act with the governor, the  
4-7 lieutenant governor, and the speaker of the house of  
4-8 representatives within the required time.

4-9 (d) All requirements of the constitution and laws of this  
4-10 state and the rules and procedures of the legislature with respect  
4-11 to the notice, introduction, and passage of this Act are fulfilled  
4-12 and accomplished.

4-13 SECTION 5. This Act takes effect immediately if it receives  
4-14 a vote of two-thirds of all the members elected to each house, as  
4-15 provided by Section 39, Article III, Texas Constitution. If this  
4-16 Act does not receive the vote necessary for immediate effect, this  
4-17 Act takes effect September 1, 2023.

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