

1-1 By: Miles S.B. No. 2604
 1-2 (In the Senate - Filed April 12, 2023; April 13, 2023, read
 1-3 first time and referred to Committee on Local Government;
 1-4 April 28, 2023, reported favorably by the following vote: Yeas 7,
 1-5 Nays 0; April 28, 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. 589; 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 8005A to read as follows:

1-26 CHAPTER 8005A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 589
 1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8005A.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. 589.

1-35 Sec. 8005A.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. 8005A.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. 8005A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-43 temporary directors may not hold an election under Section
 1-44 8005A.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. 8005A.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. 8005A.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. 8005A.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 8005A.0202, directors
2-14 serve staggered four-year terms.

2-15 Sec. 8005A.0202. TEMPORARY DIRECTORS. (a) The temporary
2-16 board consists of:

- 2-17 (1) Steven Thorin;
- 2-18 (2) Ethan Zenzen;
- 2-19 (3) Creager Davis;
- 2-20 (4) Greg Monette; and
- 2-21 (5) Christy Naves Bowen.

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

- 2-23 (1) the date permanent directors are elected under
2-24 Section 8005A.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 8005A.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 8005A.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. 8005A.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. 8005A.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. 8005A.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. 8005A.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. 8005A.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 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-10 Sec. 8005A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-11 The district may issue, without an election, bonds and other
3-12 obligations secured by:

3-13 (1) revenue other than ad valorem taxes; or
3-14 (2) contract payments described by Section
3-15 8005A.0403.

3-16 (b) The district must hold an election in the manner
3-17 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-18 before the district may impose an ad valorem tax or issue bonds
3-19 payable from ad valorem taxes.

3-20 (c) The district may not issue bonds payable from ad valorem
3-21 taxes to finance a road project unless the issuance is approved by a
3-22 vote of a two-thirds majority of the district voters voting at an
3-23 election held for that purpose.

3-24 Sec. 8005A.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-25 authorized at an election held under Section 8005A.0401, the
3-26 district may impose an operation and maintenance tax on taxable
3-27 property in the district in accordance with Section 49.107, Water
3-28 Code.

3-29 (b) The board shall determine the tax rate. The rate may not
3-30 exceed the rate approved at the election.

3-31 Sec. 8005A.0403. CONTRACT TAXES. (a) In accordance with
3-32 Section 49.108, Water Code, the district may impose a tax other than
3-33 an operation and maintenance tax and use the revenue derived from
3-34 the tax to make payments under a contract after the provisions of
3-35 the contract have been approved by a majority of the district voters
3-36 voting at an election held for that purpose.

3-37 (b) A contract approved by the district voters may contain a
3-38 provision stating that the contract may be modified or amended by
3-39 the board without further voter approval.

3-40 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-41 Sec. 8005A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-42 OBLIGATIONS. The district may issue bonds or other obligations
3-43 payable wholly or partly from ad valorem taxes, impact fees,
3-44 revenue, contract payments, grants, or other district money, or any
3-45 combination of those sources, to pay for any authorized district
3-46 purpose.

3-47 Sec. 8005A.0502. TAXES FOR BONDS. At the time the district
3-48 issues bonds payable wholly or partly from ad valorem taxes, the
3-49 board shall provide for the annual imposition of a continuing
3-50 direct ad valorem tax, without limit as to rate or amount, while all
3-51 or part of the bonds are outstanding as required and in the manner
3-52 provided by Sections 54.601 and 54.602, Water Code.

3-53 Sec. 8005A.0503. BONDS FOR ROAD PROJECTS. At the time of
3-54 issuance, the total principal amount of bonds or other obligations
3-55 issued or incurred to finance road projects and payable from ad
3-56 valorem taxes may not exceed one-fourth of the assessed value of the
3-57 real property in the district.

3-58 SECTION 2. The Harris County Municipal Utility District
3-59 No. 589 initially includes all the territory contained in the
3-60 following area:

3-61 BEING 177.5513 acres of land in the Eli Noland Survey,
3-62 Abstract Number 600, City of Houston, Harris County, Texas, being
3-63 out of that certain 259 acre tract of land described in deed to Max
3-64 Taub and Sam Taub, recorded in Volume 240, Page 227 of the Harris
3-65 County Deed Records and being part of that tract described as Tract
3-66 4 in the deed to Saltmine Investment Partnership, LTD., recorded in
3-67 Harris County Clerk's File Number U711769, and being more
3-68 particularly described by metes and bounds as follows:

3-69 COMMENCING from a 5/8 inch iron rod found in the south line of

4-1 Little York Road (width varies) at the northwest corner of a 10.00
 4-2 acre tract of land described in deed to North Forest Independent
 4-3 School District and recorded in Volume 4512, Page 38 of the Harris
 4-4 County Deed Records;

4-5 THENCE S.02°17'20"E. 1039.16 feet along the west line of said
 4-6 10.00 acre tract to a 5/8 inch iron rod with "ATKINSON 5897" cap
 4-7 found in the center line of a 80 foot wide Harris County Flood
 4-8 Control District drainage easement as described in Volume 3171,
 4-9 Page 105 of the Harris County Deed Records; marking the PLACE OF
 4-10 BEGINNING for the herein described tract;

4-11 THENCE S.56°33'02"E. 432.20 feet along the centerline of said
 4-12 80 foot wide Harris County Flood Control District drainage easement
 4-13 to a point being the northwest corner of a tract of land described
 4-14 in deed to GC Community Development Corporation INC. and recorded
 4-15 in Harris County Clerk's File Number RP-2020-539585;

4-16 THENCE S.02°17'20"E. 2556.76 feet along the west line of said
 4-17 GC Community Development Corporation INC. tract of land, and the
 4-18 west line of a the Cockburn Tract, an unrecorded subdivision to a 2
 4-19 inch iron pipe found in the north line of a tract described in deed
 4-20 to Caddo 67 LLC, and recorded in Harris County Clerk's File Number
 4-21 RP-2020-286028;

4-22 THENCE S.87°26'22"W. 3390.12 feet along the north line of said
 4-23 Caddo 67 LLC, tract and the north line of Melbourne Place, Section
 4-24 Three Subdivision recorded in Volume 49, Page 37 of the Harris
 4-25 County Map Records to a 5/8 inch iron rod with "ATKINSON 5897" cap
 4-26 found at the southeast corner of a 6.8361 acre tract of land
 4-27 described in Deed of Trust to Joseph Bruno and recorded in Harris
 4-28 County Clerk's File Number H825572 from which a found 3/4 inch
 4-29 galvanized iron pipe bears S.87°26'22"W. 742.49 feet;

4-30 THENCE N.02°46'11"W. 802.69 feet along the east line of said
 4-31 6.8361 acre tract of land to a 3/4 inch iron rod found in the
 4-32 southeasterly line of a 100 foot wide Beaumont-Sour Lake and
 4-33 Western Railroad recorded in Volume 194, Page 45 of the Harris
 4-34 County Deed Records;

4-35 THENCE N.40°03'54"E. 2619.32 feet along the southeasterly
 4-36 line of said Beaumont-Sour Lake and Western Railroad to a 5/8 inch
 4-37 iron rod with "ATKINSON 5897" cap found in the south line of Lot 81
 4-38 of Busch Subdivision as shown on the plat thereof recorded in Volume
 4-39 1A, Page 8 of the Harris County Deed Records;

4-40 THENCE N.87°38'02"E. 676.00 feet along a south line of said
 4-41 Lot 81, Lot 80 and Lot 79 to a 1 inch iron pipe found for the
 4-42 southeast corner of said Lot 79, Busch Subdivision;

4-43 THENCE N.02°01'45"W. 519.93 feet along the east line of said
 4-44 Lot 79, Lot 78 of said Busch Subdivision to a 5/8 inch iron rod with
 4-45 "ATKINSON 5897" cap set for corner in the centerline of said 80 foot
 4-46 wide Harris County Flood Control District Easement;

4-47 THENCE S.56°33'02"E. 742.88 feet along the centerline of said
 4-48 80 foot wide Harris County Flood Control District Easement to the
 4-49 PLACE OF BEGINNING.

4-50 SECTION 3. (a) The legal notice of the intention to
 4-51 introduce this Act, setting forth the general substance of this
 4-52 Act, has been published as provided by law, and the notice and a
 4-53 copy of this Act have been furnished to all persons, agencies,
 4-54 officials, or entities to which they are required to be furnished
 4-55 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 4-56 Government Code.

4-57 (b) The governor, one of the required recipients, has
 4-58 submitted the notice and Act to the Texas Commission on
 4-59 Environmental Quality.

4-60 (c) The Texas Commission on Environmental Quality has filed
 4-61 its recommendations relating to this Act with the governor, the
 4-62 lieutenant governor, and the speaker of the house of
 4-63 representatives within the required time.

4-64 (d) All requirements of the constitution and laws of this
 4-65 state and the rules and procedures of the legislature with respect
 4-66 to the notice, introduction, and passage of this Act are fulfilled
 4-67 and accomplished.

4-68 SECTION 4. (a) If this Act does not receive a two-thirds
 4-69 vote of all the members elected to each house, Subchapter C, Chapter

5-1 8005A, Special District Local Laws Code, as added by Section 1 of
5-2 this Act, is amended by adding Section 8005A.0306 to read as
5-3 follows:

5-4 Sec. 8005A.0306. NO EMINENT DOMAIN POWER. The district may
5-5 not exercise the power of eminent domain.

5-6 (b) This section is not intended to be an expression of a
5-7 legislative interpretation of the requirements of Section 17(c),
5-8 Article I, Texas Constitution.

5-9 SECTION 5. This Act takes effect immediately if it receives
5-10 a vote of two-thirds of all the members elected to each house, as
5-11 provided by Section 39, Article III, Texas Constitution. If this
5-12 Act does not receive the vote necessary for immediate effect, this
5-13 Act takes effect September 1, 2023.

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