

AN ACT

relating to the creation of the Knob Creek Municipal Utility District of Bell County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8001A to read as follows:

CHAPTER 8001A. KNOB CREEK MUNICIPAL UTILITY DISTRICT OF BELL COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8001A.0101. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Knob Creek Municipal Utility District of Bell County.

Sec. 8001A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8001A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 8001A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section
4 8001A.0103 until each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has
6 consented by ordinance or resolution to the creation of the
7 district and to the inclusion of land in the district as required by
8 applicable law.

9 Sec. 8001A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

18 Sec. 8001A.0106. INITIAL DISTRICT TERRITORY. (a) The
19 district is initially composed of the territory described by
20 Section 2 of the Act enacting this chapter.

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

25 (1) organization, existence, or validity;

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

1 interest on a bond;

2 (3) right to impose a tax; or

3 (4) legality or operation.

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 8001A.0201. GOVERNING BODY; TERMS. (a) The district
6 is governed by a board of five elected directors.

7 (b) Except as provided by Section 8001A.0202, directors
8 serve staggered four-year terms.

9 Sec. 8001A.0202. TEMPORARY DIRECTORS. (a) The temporary
10 board consists of:

11 (1) Tyler Johnson;

12 (2) Blake Pitts;

13 (3) William Hibbard;

14 (4) Matthew Barge; and

15 (5) Callie Paysse.

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

17 (1) the date permanent directors are elected under
18 Section 8001A.0103; or

19 (2) September 1, 2027.

20 (c) If permanent directors have not been elected under
21 Section 8001A.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 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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 (1) 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. 8001A.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 8001A.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. 8001A.0402. OPERATION AND MAINTENANCE TAX. (a) If
25 authorized at an election held under Section 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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 Knob Creek Municipal Utility District of
5 Bell County initially includes all the territory contained in the
6 following area:

7 BEING a tract of land situated in the Maximo Moreno Survey, Abstract
8 Number 14, Bell County, Texas, and being all of the following
9 tracts: Tract 1- called 125.579 acres, Tract 2- called 4.701 acres,
10 Tract 3- called 10.062 acres, Tract 5- called 152.50 acres, Tract
11 6- called 131.48 acres, Tract 7- called 65.000 acres, Tract
12 8- called 73.02 acres and Tract 10- called 114.1 acres as described
13 in deed to KJR Holdings, LLC as recorded in Document Number
14 2011012311, Official Public Records of Bell County, Texas and being
15 more particularly described as follows:

16 BEGINNING at point at the north corner of said 73.02 acre tract;
17 THENCE South 73°24'21" East, 2,019.96 feet to a point for the
18 northeast corner of said 73.02 acre tract;
19 THENCE along the southeast line of said 73.02 acre tract as follows:
20 South 12°17'49" West, 134.29 feet to a point for corner;
21 South 17°47'16" East, 326.63 feet to a point for corner;
22 South 12°11'33" West, 1,041.53 feet to a point for corner;
23 THENCE South 18°34'22" West, 29.50 feet to a point for corner;
24 THENCE South 13°07'02" West, 36.05 feet to a point for corner;
25 THENCE South 71°39'43" East, 200.84 feet to a point for corner;
26 THENCE South 72°08'41" East, 180.11 feet to a point for corner;
27 THENCE South 72°21'11" East, 216.15 feet to a point for corner;

1 THENCE North 13°05'19" East, 49.14 feet to a point for corner;
2 THENCE South 75°16'28" East, 859.36 feet to a point for the east
3 corner of said 125.579 acre tract;
4 THENCE along the southeast line of said 125.579 acre tract as
5 follows:
6 South 17°16'44" West, 1,282.07 feet to a point for corner;
7 South 23°38'47" West, 244.19 feet to a point for the south corner of
8 said 125.579 acre tract;
9 THENCE North 71°46'28" West, 1,075.06 feet along the southwest line
10 of said 125.579 acre tract to a point for the east corner of said
11 131.48 acre tract;
12 THENCE along the east line of said 131.48 acre tract as follows:
13 South 17°52'28" West, 2,487.10 feet to a point for corner;
14 North 72°47'07" West, 542.05 feet to a point for corner;
15 South 17°52'28" West, 1,625.55 feet to a point for the south corner
16 of said 131.48 acre tract;
17 THENCE North 72°47'07" West, 1,048.45 feet along the southwest line
18 of said 131.48 acre tract to a point for the west corner of said
19 131.48 acre tract, said point also being the south corner of said
20 152.50 acre tract;
21 THENCE North 72°26'52" West, 1,634.64 feet along the southwest line
22 of said 152.50 acre tract to a point for the most southerly
23 southwest corner of said 152.50 acre tract;
24 THENCE North 17°33'08" East, 733.92 feet to a point for corner;
25 THENCE North 72°26'52" West, 2,051.24 feet to a point for the most
26 westerly southwest corner of said 152.50 acre tract;
27 THENCE North 17°02'03" East, 3,373.21 feet to a point for the north

1 corner of said 114.1 acre tract;
2 THENCE along the northeast line of said 114.1 acre tract as follows:
3 South 72°55'11" East, 1,008.23 feet to a point for corner;
4 South 72°20'36" East, 806.11 feet to a point for the east corner of
5 said 114.1 acre tract, said point being the north corner of said
6 65.000 acre tract;
7 THENCE South 71°23'38" East, 253.39 feet along the northeast line of
8 said 65.000 acre tract to a point for corner the north corner of
9 said 4.701 acre tract;
10 THENCE South 72°37'07" East, 606.56 feet to a point for the east
11 corner of said 4.701 acre tract;
12 THENCE South 72°39'31" East, 810.18 feet to a point for the east
13 corner of said 65.000 acre tract, said point also being the north
14 corner of said 10.062 acre tract corner;
15 THENCE South 72°33'56" East, 232.00 feet to a point for the east
16 corner of said 10.062 acre tract, said point also being in the
17 northwest line of said 131.48 acre tract;
18 THENCE North 18°14'08" East, 26.76 feet to a point for corner, said
19 point being in the southwest line of said 125.579 acre tract;
20 THENCE North 71°45'52" West, 1,034.12 feet along the southwest line
21 of said 125.579 acre tract to a point for the west corner of said
22 125.579 acre tract;
23 THENCE North 17°15'34" East, 1,424.27 feet along the northwest line
24 of said 125.579 acre tract to a point for the north corner of said
25 125.579 acre tract, said point also being the west corner of said
26 73.02 acre tract;
27 THENCE North 16°39'01" East, 1,438.09 feet along the northwest line

1 of said 73.02 acre tract to the POINT OF BEGINNING and containing
2 28,084,968 square feet or 644.7422 acres of land.

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

10 (b) The governor, one of the required recipients, has
11 submitted the notice and Act to the Texas Commission on
12 Environmental Quality.

13 (c) The Texas Commission on Environmental Quality has filed
14 its recommendations relating to this Act with the governor, the
15 lieutenant governor, and the speaker of the house of
16 representatives within the required time.

17 (d) All requirements of the constitution and laws of this
18 state and the rules and procedures of the legislature with respect
19 to the notice, introduction, and passage of this Act are fulfilled
20 and accomplished.

21 SECTION 4. (a) If this Act does not receive a two-thirds
22 vote of all the members elected to each house, Subchapter C, Chapter
23 8001A, Special District Local Laws Code, as added by Section 1 of
24 this Act, is amended by adding Section 8001A.0307 to read as
25 follows:

26 Sec. 8001A.0307. NO EMINENT DOMAIN POWER. The district may
27 not exercise the power of eminent domain.

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

4 SECTION 5. This Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2605 passed the Senate on May 3, 2023, by the following vote: Yeas 27, Nays 3, one present not voting.

Secretary of the Senate

I hereby certify that S.B. No. 2605 passed the House on May 24, 2023, by the following vote: Yeas 101, Nays 37, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor