

By: Flores  
(Buckley)

S.B. No. 2605

A BILL TO BE ENTITLED

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.