

1-1 By: Flores S.B. No. 2605
 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 Knob Creek Municipal Utility
 1-20 District of Bell County; granting a limited power of eminent
 1-21 domain; providing authority to issue bonds; providing authority to
 1-22 impose 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 8001A to read as follows:

1-26 CHAPTER 8001A. KNOB CREEK MUNICIPAL UTILITY DISTRICT OF BELL
 1-27 COUNTY

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 8001A.0101. DEFINITIONS. In this chapter:

1-30 (1) "Board" means the district's board of directors.

1-31 (2) "Commission" means the Texas Commission on
 1-32 Environmental Quality.

1-33 (3) "Director" means a board member.

1-34 (4) "District" means the Knob Creek Municipal Utility
 1-35 District of Bell County.

1-36 Sec. 8001A.0102. NATURE OF DISTRICT. The district is a
 1-37 municipal utility district created under Section 59, Article XVI,
 1-38 Texas Constitution.

1-39 Sec. 8001A.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-40 REQUIRED. The temporary directors shall hold an election to
 1-41 confirm the creation of the district and to elect five permanent
 1-42 directors as provided by Section 49.102, Water Code.

1-43 Sec. 8001A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-44 temporary directors may not hold an election under Section
 1-45 8001A.0103 until each municipality in whose corporate limits or
 1-46 extraterritorial jurisdiction the district is located has
 1-47 consented by ordinance or resolution to the creation of the
 1-48 district and to the inclusion of land in the district as required by
 1-49 applicable law.

1-50 Sec. 8001A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-51 (a) The district is created to serve a public purpose and benefit.

1-52 (b) The district is created to accomplish the purposes of:

1-53 (1) a municipal utility district as provided by
 1-54 general law and Section 59, Article XVI, Texas Constitution; and

1-55 (2) Section 52, Article III, Texas Constitution, that
 1-56 relate to the construction, acquisition, improvement, operation,
 1-57 or maintenance of macadamized, graveled, or paved roads, or
 1-58 improvements, including storm drainage, in aid of those roads.

1-59 Sec. 8001A.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-60 district is initially composed of the territory described by
 1-61 Section 2 of the Act enacting this chapter.

2-1 (b) The boundaries and field notes contained in Section 2 of
2-2 the Act enacting this chapter form a closure. A mistake made in the
2-3 field notes or in copying the field notes in the legislative process
2-4 does not affect the district's:

- 2-5 (1) organization, existence, or validity;
- 2-6 (2) right to issue any type of bond for the purposes
2-7 for which the district is created or to pay the principal of and
2-8 interest on a bond;
- 2-9 (3) right to impose a tax; or
- 2-10 (4) legality or operation.

2-11 SUBCHAPTER B. BOARD OF DIRECTORS

2-12 Sec. 8001A.0201. GOVERNING BODY; TERMS. (a) The district
2-13 is governed by a board of five elected directors.

2-14 (b) Except as provided by Section 8001A.0202, directors
2-15 serve staggered four-year terms.

2-16 Sec. 8001A.0202. TEMPORARY DIRECTORS. (a) The temporary
2-17 board consists of:

- 2-18 (1) Tyler Johnson;
- 2-19 (2) Blake Pitts;
- 2-20 (3) William Hibbard;
- 2-21 (4) Matthew Barge; and
- 2-22 (5) Callie Paysse.

2-23 (b) Temporary directors serve until the earlier of:

- 2-24 (1) the date permanent directors are elected under
2-25 Section 8001A.0103; or
- 2-26 (2) September 1, 2027.

2-27 (c) If permanent directors have not been elected under
2-28 Section 8001A.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 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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 8001A.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. 8001A.0402. OPERATION AND MAINTENANCE TAX. (a) If
4-2 authorized at an election held under Section 8001A.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. 8001A.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. 8001A.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. 8001A.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. 8001A.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 Knob Creek Municipal Utility District of
4-36 Bell County initially includes all the territory contained in the
4-37 following area:

4-38 BEING a tract of land situated in the Maximo Moreno Survey, Abstract
4-39 Number 14, Bell County, Texas, and being all of the following
4-40 tracts: Tract 1- called 125.579 acres, Tract 2- called 4.701 acres,
4-41 Tract 3- called 10.062 acres, Tract 5- called 152.50 acres, Tract
4-42 6- called 131.48 acres, Tract 7- called 65.000 acres, Tract
4-43 8- called 73.02 acres and Tract 10- called 114.1 acres as described
4-44 in deed to KJR Holdings, LLC as recorded in Document Number
4-45 2011012311, Official Public Records of Bell County, Texas and being
4-46 more particularly described as follows:

4-47 BEGINNING at point at the north corner of said 73.02 acre tract;
4-48 THENCE South 73°24'21" East, 2,019.96 feet to a point for the
4-49 northeast corner of said 73.02 acre tract;

4-50 THENCE along the southeast line of said 73.02 acre tract as follows:

4-51 South 12°17'49" West, 134.29 feet to a point for corner;

4-52 South 17°47'16" East, 326.63 feet to a point for corner;

4-53 South 12°11'33" West, 1,041.53 feet to a point for corner;

4-54 THENCE South 18°34'22" West, 29.50 feet to a point for corner;

4-55 THENCE South 13°07'02" West, 36.05 feet to a point for corner;

4-56 THENCE South 71°39'43" East, 200.84 feet to a point for corner;

4-57 THENCE South 72°08'41" East, 180.11 feet to a point for corner;

4-58 THENCE South 72°21'11" East, 216.15 feet to a point for corner;

4-59 THENCE North 13°05'19" East, 49.14 feet to a point for corner;

4-60 THENCE South 75°16'28" East, 859.36 feet to a point for the east
4-61 corner of said 125.579 acre tract;

4-62 THENCE along the southeast line of said 125.579 acre tract as
4-63 follows:

4-64 South 17°16'44" West, 1,282.07 feet to a point for corner;

4-65 South 23°38'47" West, 244.19 feet to a point for the south corner of
4-66 said 125.579 acre tract;

4-67 THENCE North 71°46'28" West, 1,075.06 feet along the southwest line
4-68 of said 125.579 acre tract to a point for the east corner of said
4-69 131.48 acre tract;

5-1 THENCE along the east line of said 131.48 acre tract as follows:
5-2 South 17°52'28" West, 2,487.10 feet to a point for corner;
5-3 North 72°47'07" West, 542.05 feet to a point for corner;
5-4 South 17°52'28" West, 1,625.55 feet to a point for the south corner
5-5 of said 131.48 acre tract;
5-6 THENCE North 72°47'07" West, 1,048.45 feet along the southwest line
5-7 of said 131.48 acre tract to a point for the west corner of said
5-8 131.48 acre tract, said point also being the south corner of said
5-9 152.50 acre tract;
5-10 THENCE North 72°26'52" West, 1,634.64 feet along the southwest line
5-11 of said 152.50 acre tract to a point for the most southerly
5-12 southwest corner of said 152.50 acre tract;
5-13 THENCE North 17°33'08" East, 733.92 feet to a point for corner;
5-14 THENCE North 72°26'52" West, 2,051.24 feet to a point for the most
5-15 westerly southwest corner of said 152.50 acre tract;
5-16 THENCE North 17°02'03" East, 3,373.21 feet to a point for the north
5-17 corner of said 114.1 acre tract;
5-18 THENCE along the northeast line of said 114.1 acre tract as follows:
5-19 South 72°55'11" East, 1,008.23 feet to a point for corner;
5-20 South 72°20'36" East, 806.11 feet to a point for the east corner of
5-21 said 114.1 acre tract, said point being the north corner of said
5-22 65.000 acre tract;
5-23 THENCE South 71°23'38" East, 253.39 feet along the northeast line of
5-24 said 65.000 acre tract to a point for corner the north corner of
5-25 said 4.701 acre tract;
5-26 THENCE South 72°37'07" East, 606.56 feet to a point for the east
5-27 corner of said 4.701 acre tract;
5-28 THENCE South 72°39'31" East, 810.18 feet to a point for the east
5-29 corner of said 65.000 acre tract, said point also being the north
5-30 corner of said 10.062 acre tract corner;
5-31 THENCE South 72°33'56" East, 232.00 feet to a point for the east
5-32 corner of said 10.062 acre tract, said point also being in the
5-33 northwest line of said 131.48 acre tract;
5-34 THENCE North 18°14'08" East, 26.76 feet to a point for corner, said
5-35 point being in the southwest line of said 125.579 acre tract;
5-36 THENCE North 71°45'52" West, 1,034.12 feet along the southwest line
5-37 of said 125.579 acre tract to a point for the west corner of said
5-38 125.579 acre tract;
5-39 THENCE North 17°15'34" East, 1,424.27 feet along the northwest line
5-40 of said 125.579 acre tract to a point for the north corner of said
5-41 125.579 acre tract, said point also being the west corner of said
5-42 73.02 acre tract;
5-43 THENCE North 16°39'01" East, 1,438.09 feet along the northwest line
5-44 of said 73.02 acre tract to the POINT OF BEGINNING and containing
5-45 28,084,968 square feet or 644.7422 acres of land.
5-46 SECTION 3. (a) The legal notice of the intention to
5-47 introduce this Act, setting forth the general substance of this
5-48 Act, has been published as provided by law, and the notice and a
5-49 copy of this Act have been furnished to all persons, agencies,
5-50 officials, or entities to which they are required to be furnished
5-51 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-52 Government Code.
5-53 (b) The governor, one of the required recipients, has
5-54 submitted the notice and Act to the Texas Commission on
5-55 Environmental Quality.
5-56 (c) The Texas Commission on Environmental Quality has filed
5-57 its recommendations relating to this Act with the governor, the
5-58 lieutenant governor, and the speaker of the house of
5-59 representatives within the required time.
5-60 (d) All requirements of the constitution and laws of this
5-61 state and the rules and procedures of the legislature with respect
5-62 to the notice, introduction, and passage of this Act are fulfilled
5-63 and accomplished.
5-64 SECTION 4. (a) If this Act does not receive a two-thirds
5-65 vote of all the members elected to each house, Subchapter C, Chapter
5-66 8001A, Special District Local Laws Code, as added by Section 1 of
5-67 this Act, is amended by adding Section 8001A.0307 to read as
5-68 follows:
5-69 Sec. 8001A.0307. NO EMINENT DOMAIN POWER. The district may

6-1 not exercise the power of eminent domain.

6-2 (b) This section is not intended to be an expression of a
6-3 legislative interpretation of the requirements of Section 17(c),
6-4 Article I, Texas Constitution.

6-5 SECTION 5. This Act takes effect September 1, 2023.

6-6

* * * * *