

1-1 By: Kuempel (Senate Sponsor - Wentworth) H.B. No. 3487  
1-2 (In the Senate - Received from the House May 16, 2005;  
1-3 May 17, 2005, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 20, 2005, reported favorably by  
1-5 the following vote: Yeas 4, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the creation of the Schertz Municipal Utility District  
1-9 No. 1; providing authority to impose a tax and issue bonds; granting  
1-10 the power of eminent domain.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-12 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
1-13 Code, is amended by adding Chapter 8128 to read as follows:

1-14 CHAPTER 8128. SCHERTZ MUNICIPAL UTILITY DISTRICT NO. 1

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 8128.001. DEFINITIONS. In this chapter:

1-17 (1) "Board" means the board of directors of the  
1-18 district.

1-19 (2) "Director" means a member of the board.

1-20 (3) "District" means the Schertz Municipal Utility  
1-21 District No. 1.

1-22 Sec. 8128.002. NATURE OF DISTRICT. The district is a  
1-23 municipal utility district in Bexar County created under and  
1-24 essential to accomplish the purposes of Section 59, Article XVI,  
1-25 Texas Constitution.

1-26 Sec. 8128.003. CONFIRMATION ELECTION REQUIRED. If the  
1-27 creation of the district is not confirmed at a confirmation  
1-28 election held under Section 8128.022 before September 1, 2007:

1-29 (1) the district is dissolved September 1, 2007,  
1-30 except that:

1-31 (A) any debts incurred shall be paid;

1-32 (B) any assets that remain after the payment of  
1-33 debts shall be transferred to the City of Schertz; and

1-34 (C) the organization of the district shall be  
1-35 maintained until all debts are paid and remaining assets are  
1-36 transferred; and

1-37 (2) this chapter expires September 1, 2010.

1-38 Sec. 8128.004. INITIAL DISTRICT TERRITORY. (a) The  
1-39 district is initially composed of the territory described by  
1-40 Section 2 of the Act creating this chapter.

1-41 (b) The boundaries and field notes contained in Section 2 of  
1-42 the Act creating this chapter form a closure. A mistake made in the  
1-43 field notes or in copying the field notes in the legislative process  
1-44 does not affect:

1-45 (1) the organization, existence, or validity of the  
1-46 district;

1-47 (2) the right of the district to impose taxes; or

1-48 (3) the legality or operation of the board.

1-49 Sec. 8128.005. APPLICABILITY OF OTHER LAW. Except as  
1-50 otherwise provided by this chapter, Chapters 30, 49, and 54, Water  
1-51 Code, apply to the district.

1-52 [Sections 8128.006-8128.020 reserved for expansion]

1-53 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-54 Sec. 8128.021. TEMPORARY DIRECTORS. (a) The temporary  
1-55 board consists of:

1-56 (1) Bill K. Benton;

1-57 (2) Gina L. Fann;

1-58 (3) Christopher K. Price;

1-59 (4) Barbara Boyer Simpson; and

1-60 (5) Suzette M. Smith.

1-61 (b) Temporary directors of the district are not required to  
1-62 own land in or be residents of the district.

1-63 (c) If a temporary director fails to qualify for office, the  
1-64 temporary directors who have qualified shall appoint a person to

2-1 fill the vacancy. If at any time there are fewer than three  
 2-2 qualified temporary directors, the Texas Commission on  
 2-3 Environmental Quality shall appoint the necessary number of persons  
 2-4 to fill all vacancies on the board.

2-5 (d) Temporary directors serve until the earlier of:  
 2-6 (1) the date directors are elected under Section  
 2-7 8128.022; or  
 2-8 (2) the date this chapter expires under Section  
 2-9 8128.003.

2-10 Sec. 8128.022. CONFIRMATION AND INITIAL DIRECTORS'  
 2-11 ELECTION. (a) The temporary directors shall hold an election to  
 2-12 confirm the creation of the district and to elect five initial  
 2-13 directors as provided by Section 49.102, Water Code.

2-14 (b) At the confirmation and initial directors' election the  
 2-15 board may submit to the voters a proposition to authorize:

2-16 (1) an issuance of bonds;  
 2-17 (2) a maintenance tax; or  
 2-18 (3) a tax to fund payments required under a contract.

2-19 (c) Section 41.001(a), Election Code, does not apply to a  
 2-20 confirmation and initial directors' election held under this  
 2-21 section.

2-22 Sec. 8128.023. INITIAL ELECTED DIRECTORS; TERMS. The  
 2-23 directors elected under Section 8128.022 shall draw lots to  
 2-24 determine which two shall serve until the first regularly scheduled  
 2-25 election of directors under Section 8128.052 and which three shall  
 2-26 serve until the second regularly scheduled election of directors.

2-27 Sec. 8128.024. EXPIRATION OF SUBCHAPTER. This subchapter  
 2-28 expires September 1, 2010.

2-29 [Sections 8128.025-8128.050 reserved for expansion]

2-30 SUBCHAPTER B. BOARD OF DIRECTORS

2-31 Sec. 8128.051. DIRECTORS; TERMS. (a) The district is  
 2-32 governed by a board of five directors.

2-33 (b) Directors serve staggered four-year terms.

2-34 Sec. 8128.052. ELECTION OF DIRECTORS. On the uniform  
 2-35 election date in May of each even-numbered year, the appropriate  
 2-36 number of directors shall be elected.

2-37 [Sections 8128.053-8128.100 reserved for expansion]

2-38 SUBCHAPTER C. DIVISION OF DISTRICT TO MULTIPLE DISTRICTS

2-39 Sec. 8128.101. DIVISION OF DISTRICT; REQUIREMENTS. (a) At  
 2-40 any time before the district issues indebtedness secured by taxes  
 2-41 or net revenues, the district, including any annexed territory, may  
 2-42 be divided into two or more new districts.

2-43 (b) A new district created by division of the district must  
 2-44 be at least 100 acres.

2-45 (c) The board by resolution may declare an intent to divide  
 2-46 the district. The resolution must:

2-47 (1) set the terms of the division, including a plan for  
 2-48 the payment or performance of any outstanding district obligations;  
 2-49 and

2-50 (2) contain a metes and bounds description for each  
 2-51 new district.

2-52 Sec. 8128.102. DISTRICT DIVISION BY ELECTION. (a) The  
 2-53 board shall hold an election in the district to determine whether  
 2-54 the district should be divided as proposed under Section 8128.101.

2-55 (b) The board shall give notice of the election not later  
 2-56 than the 35th day before the date of the election. The notice must  
 2-57 state:

2-58 (1) the date and location of the election; and  
 2-59 (2) the proposition to be voted on.

2-60 (c) If a majority of the votes are cast in favor of the  
 2-61 division, the district is divided.

2-62 (d) If less than a majority of the votes are cast in favor of  
 2-63 the division, the district may not be divided.

2-64 (e) The resulting new districts are separate districts and  
 2-65 shall be governed as separate districts.

2-66 Sec. 8128.103. NOTICE OF DIVISION. Not later than the 30th  
 2-67 day after the date of a division under this subchapter, the district  
 2-68 shall provide written notice of the plan for division to:

2-69 (1) the Texas Commission on Environmental Quality;

3-1                   (2) the attorney general;  
 3-2                   (3) the commissioners court of each county in which a  
 3-3 new district is located; and  
 3-4                   (4) each municipality having extraterritorial  
 3-5 jurisdiction over territory in a new district.

3-6                   Sec. 8128.104. DISTRICT NAMES FOLLOWING DIVISION. The  
 3-7 resulting new districts are assigned consecutive letters to be  
 3-8 appended to the name of the original district.

3-9                   Sec. 8128.105. ELECTION OF DIRECTORS OF NEW DISTRICTS.  
 3-10 (a) Not later than the 90th day after the date of an election in  
 3-11 favor of the division of the district, the board shall:

3-12                   (1) appoint itself as the board of one of the new  
 3-13 districts; and

3-14                   (2) appoint five directors for each of the other new  
 3-15 districts.

3-16                   (b) A director appointed under Subsection (a)(1) serves the  
 3-17 term to which that director was elected in the original district. A  
 3-18 director appointed under Subsection (a)(2):

3-19                   (1) serves until the election for directors under  
 3-20 Subsection (c); and

3-21                   (2) is not required to own land in or reside in the  
 3-22 district for which the director is appointed.

3-23                   (c) On the uniform election date in May of the first  
 3-24 even-numbered year after the year in which the directors are  
 3-25 appointed, an election shall be held to elect five directors in each  
 3-26 district for which directors were appointed under Subsection  
 3-27 (a)(2). Of the five directors elected in each district, the three  
 3-28 directors receiving the greatest number of votes shall serve until  
 3-29 the second regularly scheduled election of directors under  
 3-30 Subsection (d), and the remaining two directors shall serve until  
 3-31 the first regularly scheduled election of directors.

3-32                   (d) Except as provided by Subsection (c), directors serve  
 3-33 staggered four-year terms. On the uniform election date in May of  
 3-34 each even-numbered year, the appropriate number of directors shall  
 3-35 be elected.

3-36                   Sec. 8128.106. CONTINUING POWERS AND OBLIGATIONS OF NEW  
 3-37 DISTRICTS. (a) Each new district may incur and pay debts and has  
 3-38 all powers of the original district created by this chapter.

3-39                   (b) If the district is divided as provided by this  
 3-40 subchapter, the current obligations and any bond authorizations of  
 3-41 the district are not impaired. Debts shall be paid by revenues or  
 3-42 by taxes or assessments imposed on real property in the district as  
 3-43 if the district had not been divided or by contributions from each  
 3-44 new district as stated in the terms set by the board in the plan for  
 3-45 division.

3-46                   (c) Any other district obligation shall be divided pro rata  
 3-47 among the new districts on an acreage basis or on other terms that  
 3-48 are satisfactory to the new districts.

3-49                   Sec. 8128.107. CONTRACT AUTHORITY OF NEW DISTRICTS. The  
 3-50 new districts may contract with each other for:

3-51                   (1) water and wastewater services; or  
 3-52                   (2) any other matter the boards of the new districts  
 3-53 consider appropriate.

3-54                   Sec. 8128.108. BOND ISSUANCE BY NEW DISTRICT. A new  
 3-55 district may issue bonds payable wholly or partially from ad  
 3-56 valorem taxes on the approval of a majority of the residents voting  
 3-57 in an election called and held for that purpose.

3-58                   Sec. 8128.109. MAINTENANCE TAX APPROVAL FOR NEW DISTRICT.  
 3-59 A new district may impose a maintenance tax on the approval of a  
 3-60 majority of the residents voting in an election called and held for  
 3-61 that purpose.

3-62                   SECTION 2. The Schertz Municipal Utility District No. 1  
 3-63 initially includes the territory contained within the following  
 3-64 area:

3-65                   BEING 101.223 acres of land more or less situated in the  
 3-66 Julian Diaz Survey No. 66, Abstract No. 187, County Block 5059,  
 3-67 Bexar County, Texas, consisting of 78.951 acres of land more or less  
 3-68 out of a called 145.776 acre tract as described in Volume 6300, Page  
 3-69 439 Official Public Records, Bexar County, Texas, and 22.272 acres

4-1 of land more or less out of a called 52.539 acre tract as described  
4-2 in Volume 5491, Page 740 Official Public Records, Bexar County,  
4-3 Texas, and being more particularly described as follows:

4-4 BEGINNING at a point for the North corner of said 145.776 acre  
4-5 tract and the North corner of this tract herein described, situated  
4-6 at the point of intersection of the southeast right-of-way of Lower  
4-7 Sequin Road with the southwest right-of-way of Trainer Hale Road  
4-8 (abandoned);

4-9 Thence with the southwest right-of-way of Trainer Hale Road  
4-10 S30°16'00"E, 1214.52 feet to a point marking the intersection of the  
4-11 southwest right-of-way of Trainer Hale Road with the southwest  
4-12 right-of-way of F.M. Road 1518;

4-13 THENCE with the southwest right-of-way of F.M. 1518,  
4-14 S30°16'00"E, 2715.35 feet to a point for the west corner of this  
4-15 tract and the east corner of said 145.776 acre tract;

4-16 THENCE S59°54'31"W, 900.86 feet crossing the east corner of  
4-17 said 52.593 acre tract at 300.00 feet, to a point for a corner of  
4-18 this tract herein described on the southeast line of the above  
4-19 mentioned 52.593 acre tract;

4-20 THENCE leaving the southeast line of said 52.593 acre tract  
4-21 and into said 52.593 acre tract N71°13'42"W, 350.07 feet to a point  
4-22 for a corner of this tract herein described;

4-23 Thence N30°16'00"W, 3663.16 feet to a point on the southeast  
4-24 right-of-way of Lower Sequin Road;

4-25 THENCE N59°45'15"E, 1130.14 feet to the Point of Beginning and  
4-26 containing 101.223 acres of land more or less.

4-27 SECTION 3. (a) The legal notice of the intention to  
4-28 introduce this Act, setting forth the general substance of this  
4-29 Act, has been published as provided by law, and the notice and a  
4-30 copy of this Act have been furnished to all persons, agencies,  
4-31 officials, or entities to which they are required to be furnished  
4-32 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4-33 Government Code.

4-34 (b) The governor, one of the required recipients, has  
4-35 submitted the notice and Act to the Texas Commission on  
4-36 Environmental Quality.

4-37 (c) The Texas Commission on Environmental Quality has filed  
4-38 its recommendations relating to this Act with the governor, the  
4-39 lieutenant governor, and the speaker of the house of  
4-40 representatives within the required time.

4-41 (d) All requirements of the constitution and laws of this  
4-42 state and the rules and procedures of the legislature with respect  
4-43 to the notice, introduction, and passage of this Act are fulfilled  
4-44 and accomplished.

4-45 SECTION 4. This Act takes effect September 1, 2005.

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