

1-1 By: Turner (Senate Sponsor - Whitmire) H.B. No. 3502
1-2 (In the Senate - Received from the House May 20, 2005;
1-3 May 20, 2005, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 21, 2005, reported favorably by
1-5 the following vote: Yeas 5, Nays 0; May 21, 2005, sent to
1-6 printer.)

1-7 HOUSE COMMITTEE SUBSTITUTE FOR H.B. NO. 3502 RECEIVED IN THE FORM OF
1-8 ENGROSSED RIDER IN LIEU OF A FULL ENGROSSMENT

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the creation of the Harris County Municipal Utility
1-12 District No. 406; providing authority to impose taxes and issue
1-13 bonds; granting the power of eminent domain.

1-14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-15 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-16 Code, is amended by adding Chapter 8149 to read as follows:

1-17 CHAPTER 8149. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT

1-18 NO. 406

1-19 SUBCHAPTER A. GENERAL PROVISIONS

1-20 Sec. 8149.001. DEFINITIONS. In this chapter:

1-21 (1) "Board" means the board of directors of the
1-22 district.

1-23 (2) "City" means the City of Houston, Texas.

1-24 (3) "Director" means a member of the board.

1-25 (4) "District" means the Harris County Municipal
1-26 Utility District No. 406.

1-27 Sec. 8149.002. NATURE OF DISTRICT. The district is a
1-28 municipal utility district in Harris County created under and
1-29 essential to accomplish the purposes of Section 59, Article XVI,
1-30 Texas Constitution.

1-31 Sec. 8149.003. CONFIRMATION ELECTION REQUIRED. The board
1-32 shall hold an election to confirm the creation of the district as
1-33 provided by Section 49.102, Water Code.

1-34 Sec. 8149.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
1-35 All land and other property included in the district will benefit
1-36 from the improvements and services to be provided by the district
1-37 under powers conferred by Section 52, Article III, and Section 59,
1-38 Article XVI, Texas Constitution.

1-39 (b) The district is created to accomplish:

1-40 (1) the same purposes as a municipal utility district
1-41 as provided by Section 54.012, Water Code; and

1-42 (2) the construction, acquisition, improvement,
1-43 maintenance, or operation of macadamized, graveled, or paved roads
1-44 or turnpikes, or improvements in aid of those roads or turnpikes, to
1-45 the extent authorized by Section 52, Article III, Texas
1-46 Constitution.

1-47 Sec. 8149.005. INITIAL DISTRICT TERRITORY. (a) The
1-48 district is initially composed of the territory described by
1-49 Section 2 of the Act creating this chapter.

1-50 (b) The boundaries and field notes contained in Section 2 of
1-51 the Act creating this chapter form a closure. A mistake made in the
1-52 field notes or in copying the field notes in the legislative process
1-53 does not affect the district's:

1-54 (1) organization, existence, or validity;

1-55 (2) right to issue any type of bond for the purposes
1-56 for which the district is created or to pay the principal of and
1-57 interest on a bond;

1-58 (3) right to impose or collect an assessment or tax; or

1-59 (4) legality or operation.

1-60 [Sections 8149.006-8149.050 reserved for expansion]

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SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8149.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8149.052. ELECTION OF DIRECTORS. On the uniform election date in May of each even-numbered year, the appropriate number of directors shall be elected.

Sec. 8149.053. INITIAL DIRECTORS. (a) The initial board consists of:

(1) Victor Crosswell;

(2) Kelly Childress;

(3) Bruce Arendale;

(4) HoJin Lim; and

(5) David N. Sanders.

(b) The terms of the first three directors named in Subsection (a) expire on the uniform election date in May of 2006, and the terms of the last two directors named in Subsection (a) expire on the uniform election date in May of 2008.

(c) This section expires September 1, 2009.

[Sections 8149.054-8149.100 reserved for expansion]

SUBCHAPTER C. GENERAL POWERS AND DUTIES

Sec. 8149.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8149.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8149.103. ROAD PROJECTS. The district may construct, acquire, improve, maintain, or operate macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside the district.

Sec. 8149.104. MUNICIPAL OR COUNTY CONSENT AND STANDARDS. (a) The district may not undertake a road project unless each municipality in whose corporate limits or extraterritorial jurisdiction the district is located consents by ordinance or resolution. If the district is located outside the extraterritorial jurisdiction of a municipality, the district may not undertake a road project unless each county in which the district is located consents by ordinance or resolution.

(b) A road project must meet or exceed all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each municipality in whose corporate limits or extraterritorial jurisdiction the district is located. If the district is located outside the extraterritorial jurisdiction of a municipality, a road project must meet all applicable construction standards, zoning and subdivision requirements, and regulatory ordinances of each county in which the district is located.

Sec. 8149.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section 54.016, Water Code, the district shall comply with all applicable requirements of any ordinance or resolution adopted by the city council of the City of Houston that consents to the creation of the district or to the inclusion of lands within the district.

Sec. 8149.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may exercise the power of eminent domain outside the district only to acquire an easement necessary for underground water, sewage, or drainage facilities that serve the district.

[Sections 8149.107-8149.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8149.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by revenue or contract payments from any source other than ad valorem taxation.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds

3-1 payable from ad valorem taxes.

3-2 Sec. 8149.152. AD VALOREM TAX. (a) If authorized at an
 3-3 election held under Section 8149.151(b), the district may impose an
 3-4 annual ad valorem tax on taxable property in the district for the
 3-5 provision of services or for the maintenance and operation of the
 3-6 district, including the construction, acquisition, maintenance,
 3-7 and operation of improvements.

3-8 (b) The board shall determine the tax rate. The rate may not
 3-9 exceed the rate approved at the election.

3-10 [Sections 8149.153-8149.200 reserved for expansion]

3-11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-12 Sec. 8149.201. AUTHORITY TO ISSUE BONDS AND OTHER
 3-13 OBLIGATIONS. (a) The district may issue bonds or other obligations
 3-14 payable wholly or partly from ad valorem taxes, impact fees,
 3-15 revenue, grants, or other district money, or any combination of
 3-16 those sources, to pay for any authorized district purpose.

3-17 (b) The district may issue a bond or other obligation in the
 3-18 form of a bond, note, certificate of participation, or other
 3-19 instrument evidencing a proportionate interest in payments to be
 3-20 made by the district, or other type of obligation.

3-21 (c) The district may not issue bonds to finance projects
 3-22 authorized by Section 8149.103 unless the issuance is approved by a
 3-23 vote of a two-thirds majority of the voters of the district voting
 3-24 at an election called for that purpose.

3-25 (d) Bonds or other obligations issued or incurred to finance
 3-26 projects authorized by Section 8149.103 may not exceed one-fourth
 3-27 of the assessed value of the real property in the district.

3-28 Sec. 8149.202. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
 3-29 the time bonds or other obligations payable wholly or partly from ad
 3-30 valorem taxes are issued:

3-31 (1) the board shall impose a continuing direct annual
 3-32 ad valorem tax, without limit as to rate or amount, for each year
 3-33 that all or part of the bonds are outstanding; and

3-34 (2) the district annually shall impose the continuing
 3-35 direct annual ad valorem tax on all taxable property in the district
 3-36 in an amount sufficient to:

3-37 (A) pay the interest on the bonds or other
 3-38 obligations as the interest becomes due;

3-39 (B) create a sinking fund for the payment of the
 3-40 principal of the bonds or other obligations when due or the
 3-41 redemption price at any earlier required redemption date; and

3-42 (C) pay the expenses of imposing the taxes.

3-43 Sec. 8149.203. CERTAIN AUTHORITY OF TEXAS COMMISSION ON
 3-44 ENVIRONMENTAL QUALITY NOT APPLICABLE. Sections 49.181 and 49.182
 3-45 do not apply to a road project undertaken by the district or to
 3-46 bonds issued by the district to finance the project.

3-47 SECTION 2. The Harris County Municipal Utility District No.
 3-48 406 initially includes all the territory contained in the following
 3-49 area:

3-50 BEING 509.9 acres out of the W.C.R.R. Company Survey
 3-51 Section 18, Block 4 land situated in the A. Sumbardo Survey,
 3-52 Abstract 1496, the J.E. Durkee Survey, Abstract 1133, the G.M.
 3-53 Stewart Survey, Abstract 1494, the J.H. Stewart Survey,
 3-54 Abstract 1493, the J.E. Durkee Survey, Abstract 1069, said 509.9
 3-55 acres of land being more particularly described by metes and bounds
 3-56 as follows:

3-57 BEGINNING at the northeast corner of the said A. Sumbardo
 3-58 Survey, Abstract 1496 and the northwest corner of the S. Contreras
 3-59 Survey, Abstract 220;

3-60 THENCE, S 02°32'21" E, a distance of 2548.00 feet along the
 3-61 east line of the said A. Sumbardo Survey, the east line of the said
 3-62 J.E. Durkee Survey, Abstract 1133 to a point for corner and the
 3-63 beginning of a curve to the left;

3-64 THENCE the following courses and distances over and across
 3-65 the said J.E. Durkee Survey, Abstract 1133, the G.M. Stewart
 3-66 Survey, Abstract 1494, the J.H. Stewart Survey, Abstract 1493 and
 3-67 the J.E. Durkee Survey, Abstract 1069;

3-68 In a southwesterly direction, along said curve to the left a
 3-69 distance of 2659.74 feet, having a radius of 2050.00 feet a central

4-1 angle of 74°20'15" and a chord which bears S 50°17'32" W, 2477.07
4-2 feet to the point of tangency;
4-3 S 13°07'24" W, a distance of 205.00 feet to the beginning of a
4-4 tangent curve to the right;
4-5 In a southwesterly direction, along said curve to the right a
4-6 distance of 2774.10 feet, having a radius of 1950.00 feet a central
4-7 angle of 81°30'36" and a chord which bears S 53°52'42" W, 2546.02
4-8 feet to a point of tangency;
4-9 N 85°22'00" W, a distance of 688.22 feet to a point for corner
4-10 in the west line of the said J.E. Durkee Survey, Abstract 1069;
4-11 THENCE N 02°27'50" W, a distance of 765.14 feet to a point for
4-12 corner and being a reentrant corner of the said J.H. Stewart
4-13 Survey, Abstract 1493;
4-14 THENCE S 87°43'47" W, a distance of 385.98 feet along a south
4-15 line of the said J.H. Stewart Survey, Abstract 1493 to a point for
4-16 corner, same being the most westerly southwest corner of the said
4-17 J.H. Stewart Survey, Abstract 1493 and the southeast corner of the
4-18 S.S. Reynolds Survey, Abstract 1356;
4-19 THENCE N 02°49'10" W, a distance of 4247.15 feet along the
4-20 west line of the said J.H. Stewart Survey, Abstract 1493, the west
4-21 line of the said A. Sumbardo Survey, Abstract 1496 to a point for
4-22 corner in the south line of Beltway 8 (Sam Houston Tollway);
4-23 THENCE the following courses and distances over and across
4-24 the said A. Sumbardo Survey and along the south line of the said
4-25 Beltway 8 (Sam Houston Tollway):
4-26 In an easterly direction, along a curve to the left, a
4-27 distance of 502.22 feet, having a radius of 2573.48 feet a central
4-28 angle of 11°10'53" and a chord which bears N 85°52'02" E, 501.42
4-29 feet to a point for corner;
4-30 N 85°58'41" E, a distance of 33.78 feet to a point for corner;
4-31 N 55°27'00" E, a distance of 79.03 feet to a point for corner;
4-32 N 16°53'11" E, a distance of 33.76 feet to a point for corner;
4-33 N 78°49'24" E, a distance of 140.00 feet to a point for corner;
4-34 N 11°09'12" W, a distance of 18.70 feet to a point for corner;
4-35 N 06°55'01" W, a distance of 25.26 feet to a point for corner;
4-36 N 31°12'48" E, a distance of 77.56 feet to a point for corner;
4-37 N 69°13'13" E, a distance of 24.53 feet to a point for corner;
4-38 N 72°15'59" E, a distance of 98.00 feet to a point for corner;
4-39 N 71°10'32" E, a distance of 156.40 feet to a point for corner
4-40 in the north line of the said A. Sumbardo Survey, Abstract 1496
4-41 THENCE N 87°08'39" E, departing the south line of said
4-42 Beltway 8 (Sam Houston Tollway) and along the north line of the said
4-43 A. Sumbardo Survey, a distance of 2840.07 feet to the POINT OF
4-44 BEGINNING and containing 509.9 acres of land.
4-45 SECTION 3. (a) The legal notice of the intention to
4-46 introduce this Act, setting forth the general substance of this
4-47 Act, has been published as provided by law, and the notice and a
4-48 copy of this Act have been furnished to all persons, agencies,
4-49 officials, or entities to which they are required to be furnished
4-50 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4-51 Government Code.
4-52 (b) The governor, one of the required recipients, has
4-53 submitted the notice and Act to the Texas Commission on
4-54 Environmental Quality.
4-55 (c) The Texas Commission on Environmental Quality has filed
4-56 its recommendations relating to this Act with the governor, the
4-57 lieutenant governor, and the speaker of the house of
4-58 representatives within the required time.
4-59 (d) All requirements of the constitution and laws of this
4-60 state and the rules and procedures of the legislature with respect
4-61 to the notice, introduction, and passage of this Act are fulfilled
4-62 and accomplished.
4-63 SECTION 4. This Act takes effect immediately if it receives
4-64 a vote of two-thirds of all the members elected to each house, as
4-65 provided by Section 39, Article III, Texas Constitution. If this
4-66 Act does not receive the vote necessary for immediate effect, this
4-67 Act takes effect September 1, 2005.

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