

1-1 By: Dutton (Senate Sponsor - Gallegos) H.B. No. 1401  
1-2 (In the Senate - Received from the House April 16, 2007;  
1-3 April 17, 2007, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 9, 2007, reported favorably by  
1-5 the following vote: Yeas 5, Nays 0; May 9, 2007, sent to printer.)

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

1-8 relating to the powers and duties of the Harris County Municipal  
1-9 Utility District No. 402 regarding road projects; providing  
1-10 authority to impose a tax and issue bonds.

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 8198 to read as follows:

1-14 CHAPTER 8198. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 402

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 8198.001. DEFINITION. "District" means Harris County  
1-17 Municipal Utility District No. 402.

1-18 Sec. 8198.002. NATURE OF DISTRICT. The district is a  
1-19 municipal utility district in Harris County created under and  
1-20 essential to accomplish the purposes of Section 52(b)(3), Article  
1-21 III, or Section 59, Article XVI, Texas Constitution.

1-22 Sec. 8198.003. APPLICABILITY OF OTHER LAW. Except as  
1-23 otherwise provided by this chapter, Chapters 49 and 54, Water Code,  
1-24 apply to the district.

1-25 [Sections 8198.004-8198.050 reserved for expansion]

1-26 SUBCHAPTER B. POWERS AND DUTIES

1-27 Sec. 8198.051. ROAD PROJECTS. (a) The district may  
1-28 construct, acquire, improve, maintain, or operate macadamized,  
1-29 graveled, or paved roads or turnpikes, or improvements in aid of  
1-30 those roads or turnpikes, inside the district.

1-31 (b) A road project must meet all applicable construction  
1-32 standards, zoning and subdivision requirements, and regulations  
1-33 of:

1-34 (1) each municipality in whose corporate limits or  
1-35 extraterritorial jurisdiction the district is located; and

1-36 (2) each county in which the district is located.

1-37 (c) The district may not undertake a road project unless  
1-38 each municipality in whose corporate limits or extraterritorial  
1-39 jurisdiction the district is located consents by resolution.

1-40 Sec. 8198.052. COMPLIANCE WITH MUNICIPAL CONSENT  
1-41 RESOLUTIONS. The district shall comply with all applicable  
1-42 requirements of any resolution, adopted by the governing body of a  
1-43 municipality, that consented to the creation of the district or to  
1-44 the inclusion of land in the district.

1-45 [Sections 8198.053-8198.100 reserved for expansion]

1-46 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

1-47 Sec. 8198.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The  
1-48 district may impose a tax to pay the principal of or interest on  
1-49 bonds issued under Section 8198.151.

1-50 [Sections 8198.102-8198.150 reserved for expansion]

1-51 SUBCHAPTER D. BONDS

1-52 Sec. 8198.151. AUTHORITY TO ISSUE BONDS AND OTHER  
1-53 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or  
1-54 other obligations as provided by Chapters 49 and 54, Water Code, to  
1-55 finance the construction, maintenance, or operation of projects  
1-56 under Section 8198.051.

1-57 (b) The district may not issue bonds or other obligations  
1-58 secured wholly or partly by ad valorem taxation to finance projects  
1-59 authorized by Section 8198.051 unless the issuance is approved by a  
1-60 vote of a two-thirds majority of the voters in the district or of  
1-61 the defined areas to be benefited by the project as provided by  
1-62 Subchapter J, Chapter 54, Water Code, voting at an election called  
1-63 for that purpose. The simple majority vote approval required by  
1-64 Section 54.808(a), Water Code, does not apply to an election under

2-1 this subsection.

2-2 (c) Bonds or other obligations issued or incurred to finance  
2-3 projects authorized by Section 8198.051 may not exceed one-fourth  
2-4 of the assessed value of the real property in the district or the  
2-5 defined area as provided by Subchapter J, Chapter 54, Water Code.

2-6 SECTION 2. (a) The legal notice of the intention to  
2-7 introduce this Act, setting forth the general substance of this  
2-8 Act, has been published as provided by law, and the notice and a  
2-9 copy of this Act have been furnished to all persons, agencies,  
2-10 officials, or entities to which they are required to be furnished  
2-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
2-12 Government Code.

2-13 (b) The governor, one of the required recipients, has  
2-14 submitted the notice and Act to the Texas Commission on  
2-15 Environmental Quality.

2-16 (c) The Texas Commission on Environmental Quality has filed  
2-17 its recommendations relating to this Act with the governor, the  
2-18 lieutenant governor, and the speaker of the house of  
2-19 representatives within the required time.

2-20 (d) All requirements of the constitution and laws of this  
2-21 state and the rules and procedures of the legislature with respect  
2-22 to the notice, introduction, and passage of this Act are fulfilled  
2-23 and accomplished.

2-24 SECTION 3. This Act takes effect September 1, 2007.

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