

By: Rodriguez

H.B. No. 1756

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Pilot Knob Municipal Utility District No. 2; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain.

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 8\_\_\_\_\_ to read as follows:

CHAPTER 8\_\_\_\_\_. PILOT KNOB MUNICIPAL UTILITY DISTRICT

NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8\_\_\_\_.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Pilot Knob Municipal Utility District No. 2.

Sec. 8\_\_\_\_.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8\_\_\_\_.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8\_\_\_\_.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section

1 8\_\_\_\_.003 until each municipality in whose corporate limits or  
2 extraterritorial jurisdiction the district is located has  
3 consented by ordinance or resolution to the creation of the  
4 district and to the inclusion of land in the district.

5 Sec. 8\_\_\_\_.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

6 (a) The district is created to serve a public purpose and benefit.

7 (b) The district is created to accomplish the purposes of:

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

10 (2) Section 52, Article III, Texas Constitution, that  
11 relate to the construction, acquisition, improvement, operation,  
12 or maintenance of macadamized, graveled, or paved roads, or  
13 improvements, including storm drainage, in aid of those roads.

14 Sec. 8\_\_\_\_.006. INITIAL DISTRICT TERRITORY. (a) The  
15 district is initially composed of the territory described by  
16 Section 2 of the Act creating this chapter.

17 (b) The boundaries and field notes contained in Section 2 of  
18 the Act creating this chapter form a closure. A mistake made in the  
19 field notes or in copying the field notes in the legislative process  
20 does not affect the district's:

21 (1) organization, existence, or validity;

22 (2) right to issue any type of bond for the purposes  
23 for which the district is created or to pay the principal of and  
24 interest on a bond;

25 (3) right to impose a tax; or

26 (4) legality or operation.

27 [Sections 8\_\_\_\_.007-8\_\_\_\_.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8\_\_\_\_.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8\_\_\_\_.052, directors serve staggered four-year terms.

Sec. 8\_\_\_\_.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8\_\_\_\_.003; or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section 8\_\_\_\_.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8\_\_\_\_.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

1       (d) If Subsection (c) applies, the owner or owners of a  
2 majority of the assessed value of the real property in the district  
3 may submit a petition to the commission requesting that the  
4 commission appoint as successor temporary directors the five  
5 persons named in the petition. The commission shall appoint as  
6 successor temporary directors the five persons named in the  
7 petition.

8       [Sections 8\_\_\_\_.053-8\_\_\_\_.100 reserved for expansion]

9                   SUBCHAPTER C. POWERS AND DUTIES

10       Sec. 8\_\_\_\_.101. 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. 8\_\_\_\_.102. 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. 8\_\_\_\_.103. AUTHORITY FOR ROAD PROJECTS. (a) Under  
19 Section 52, Article III, Texas Constitution, the district may  
20 design, acquire, construct, finance, issue bonds for, improve, and  
21 convey to this state, a county, or a municipality for operation and  
22 maintenance macadamized, graveled, or paved roads described by  
23 Section 54.234, Water Code, or improvements, including storm  
24 drainage, in aid of those roads.

25       (b) The district may exercise the powers provided by this  
26 section without submitting a petition to or obtaining approval  
27 from the commission as required by Section 54.234, Water Code.

1       Sec. 8\_\_\_\_.104. APPROVAL OF ROAD PROJECT. (a) The  
2 district may not undertake a road project authorized by Section  
3 8\_\_\_\_.103 unless:

4           (1) each municipality or county that will operate and  
5 maintain the road has approved the plans and specifications of the  
6 road project, if a municipality or county will operate and maintain  
7 the road; or

8           (2) the Texas Transportation Commission has approved  
9 the plans and specifications of the road project, if the state will  
10 operate and maintain the road.

11       (b) Except as provided by Subsection (a), the district is  
12 not required to obtain approval from the Texas Transportation  
13 Commission to design, acquire, construct, finance, issue bonds for,  
14 improve, or convey a road project.

15       Sec. 8\_\_\_\_.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
16 OR RESOLUTION. The district shall comply with all applicable  
17 requirements of any ordinance or resolution that is adopted under  
18 Section 54.016 or 54.0165, Water Code, and that consents to the  
19 creation of the district or to the inclusion of land in the  
20 district.

21       Sec. 8\_\_\_\_.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
22 district may not exercise the power of eminent domain outside the  
23 district to acquire a site or easement for:

24           (1) a road project authorized by Section 8\_\_\_\_.103; or  
25           (2) a recreational facility as defined by Section  
26 49.462, Water Code.

27       [Sections 8\_\_\_\_.107-8\_\_\_\_.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8\_\_\_\_.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 8\_\_\_\_.153.

(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 payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8\_\_\_\_.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8\_\_\_\_.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 8\_\_\_\_.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

1       (b) A contract approved by the district voters may contain a  
2 provision stating that the contract may be modified or amended by  
3 the board without further voter approval.

4       [Sections 8\_\_\_\_.154-8\_\_\_\_.200 reserved for expansion]

5               SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

6       Sec. 8\_\_\_\_.201. AUTHORITY TO ISSUE BONDS AND OTHER  
7 OBLIGATIONS. The district may issue bonds or other obligations  
8 payable wholly or partly from ad valorem taxes, impact fees,  
9 revenue, contract payments, grants, or other district money, or any  
10 combination of those sources, to pay for any authorized district  
11 purpose.

12       Sec. 8\_\_\_\_.202. TAXES FOR BONDS. At the time the district  
13 issues bonds payable wholly or partly from ad valorem taxes, the  
14 board shall provide for the annual imposition of a continuing  
15 direct ad valorem tax, without limit as to rate or amount, while all  
16 or part of the bonds are outstanding as required and in the manner  
17 provided by Sections 54.601 and 54.602, Water Code.

18       Sec. 8\_\_\_\_.203. BONDS FOR ROAD PROJECTS. At the time of  
19 issuance, the total principal amount of bonds or other obligations  
20 issued or incurred to finance road projects and payable from ad  
21 valorem taxes may not exceed one-fourth of the assessed value of the  
22 real property in the district.

23       SECTION 2. The Pilot Knob Municipal Utility District No. 2  
24 initially includes all the territory contained in the following  
25 area: 557.187 acres of land described below:

26 A DESCRIPTION OF 557.672 ACRES IN THE SANTIAGO DEL VALLE GRANT IN  
27 TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 138.540 ACRE TRACT

1 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,  
2 DATED MARCH 2, 2007 AND RECORDED IN DOCUMENT NO. 2007038642 OF THE  
3 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A  
4 20.807 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA  
5 ACQUISITION INC., DATED JANUARY 3, 2007 AND RECORDED IN DOCUMENT  
6 NO. 2007003159 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,  
7 TEXAS, A PORTION OF AN 81.018 ACRE TRACT DESCRIBED IN A SPECIAL  
8 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 12, 2006 AND  
9 RECORDED IN DOCUMENT NO. 2006246454 OF THE OFFICIAL PUBLIC RECORDS  
10 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 103.415 ACRE TRACT DESCRIBED  
11 IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER  
12 20, 2006 AND RECORDED IN DOCUMENT NO. 2006224021 OF THE OFFICIAL  
13 PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 167.748 ACRE  
14 TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION  
15 INC., DATED DECEMBER 13, 2006 AND RECORDED IN DOCUMENT NO.  
16 2006241307 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS,  
17 A PORTION OF A 42.558 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY  
18 DEED TO JONA ACQUISITION INC., DATED MAY 16, 2008 AND RECORDED IN  
19 DOCUMENT NO. 2008083861 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS  
20 COUNTY, TEXAS, A PORTION OF A 20.005 ACRE TRACT DESCRIBED IN A  
21 WARRANTY DEED WITH VENDOR'S LIEN TO JOHN T. HALDENSTEIN AND JOSHUA  
22 N. HALDENSTEIN, DATED DECEMBER 14, 2000 AND RECORDED IN DOCUMENT  
23 NO. 2000203669 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,  
24 TEXAS, A PORTION OF A 198.302 ACRE TRACT DESCRIBED IN A GENERAL  
25 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 20, 2006 AND  
26 RECORDED IN DOCUMENT NO. 2006244772 OF THE OFFICIAL PUBLIC RECORDS  
27 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED



1 IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO JONA ACQUISITION  
2 INC., DATED JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190  
3 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF  
4 A 37.390 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA  
5 ACQUISITION INC., DATED OCTOBER 30, 2008 AND RECORDED IN DOCUMENT  
6 NO. 2008179828 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,  
7 TEXAS, A PORTION OF COLTON BLUFF SPRINGS ROAD (APPARENT  
8 RIGHT-OF-WAY WIDTH VARIES), AND ALL OF A 67.339 ACRE ACRE TRACT  
9 DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC.,  
10 DATED NOVEMBER 7, 2007 AND RECORDED IN DOCUMENT NO. 2007204509 OF  
11 THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; SAID 557.672  
12 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS  
13 FOLLOWS:

14 BEGINNING at a 1/2" iron pipe found for an interior ell corner in  
15 the north line of said 138.540 acre tract, same being an angle point  
16 in the south line of a 380.080 acre tract described in a deed to  
17 Ernest Collins and Floretta Collins, recorded in Volume 12791, Page  
18 11 of the Real Property Records of Travis County, Texas;  
19 THENCE crossing said 138.540 acre tract, said 20.807 acre tract,  
20 Colton Bluff Springs Road, said 81.018 acre tract, said 103.415  
21 acre tract, said 167.748 acre tract, said 42.558 acre tract, said  
22 20.005 acre tract, said 198.302 acre tract, said 232.233 acre  
23 tract, and said 37.390 acre tract, the following thirty (30)  
24 courses and distances:

25 1. South 27°05'52" West, a distance of 3.20 feet to a  
26 calculated point;

27 2. South 47°34'32" East, a distance of 42.94 feet to a

- 1 calculated point;
- 2           3. With a curve to the left, having a radius of 2002.94 feet,  
3 a delta angle of  $22^{\circ}31'58''$ , an arc length of 787.70 feet, and a chord  
4 which bears South  $58^{\circ}50'31''$  East, a distance of 782.64 feet to a  
5 calculated point;
- 6           4. South  $19^{\circ}53'30''$  West, a distance of 342.26 feet to a  
7 calculated point;
- 8           5. With a curve to the left, having a radius of 499.99 feet,  
9 a delta angle of  $41^{\circ}14'55''$ , an arc length of 359.95 feet, and a chord  
10 which bears South  $00^{\circ}43'58''$  East, a distance of 352.23 feet to a  
11 calculated point;
- 12           6. South  $21^{\circ}21'01''$  East, a distance of 1149.03 feet to a  
13 calculated point;
- 14           7. With a curve to the right, having a radius of 800.00 feet,  
15 a delta angle of  $04^{\circ}05'43''$ , an arc length of 57.18 feet, and a chord  
16 which bears South  $19^{\circ}18'34''$  East, a distance of 57.17 feet to a  
17 calculated point;
- 18           8. South  $27^{\circ}06'32''$  West, a distance of 1006.99 feet to a  
19 calculated point;
- 20           9. North  $62^{\circ}55'07''$  West, a distance of 393.93 feet to a  
21 calculated point;
- 22           10. South  $27^{\circ}04'42''$  West, a distance of 1090.01 feet to a  
23 calculated point;
- 24           11. South  $62^{\circ}55'07''$  East, a distance of 393.35 feet to a  
25 calculated point;
- 26           12. South  $27^{\circ}05'07''$  West, a distance of 1284.12 feet to a  
27 calculated point;

1           13. South  $27^{\circ}11'27''$  West, a distance of 450.14 feet to a  
2 calculated point;

3           14. With a curve to the left, having a radius of 1399.96  
4 feet, a delta angle of  $31^{\circ}05'54''$ , an arc length of 759.86 feet, and a  
5 chord which bears North  $77^{\circ}33'02''$  West, a distance of 750.56 feet to  
6 a calculated point;

7           15. South  $86^{\circ}54'01''$  West, a distance of 948.14 feet to a  
8 calculated point;

9           16. With a curve to the right, having a radius of 1399.96  
10 feet, a delta angle of  $31^{\circ}17'38''$ , an arc length of 764.63 feet, and a  
11 chord which bears North  $77^{\circ}27'10''$  West, a distance of 755.16 feet to  
12 a calculated point;

13           17. North  $61^{\circ}48'21''$  West, a distance of 1135.34 feet to a  
14 calculated point;

15           18. North  $28^{\circ}11'39''$  East, a distance of 910.01 feet to a  
16 calculated point;

17           19. With a curve to the right, having a radius of 431.98  
18 feet, a delta angle of  $53^{\circ}14'32''$ , an arc length of 401.42 feet, and a  
19 chord which bears North  $58^{\circ}50'30''$  East, a distance of 387.13 feet to  
20 a calculated point;

21           20. North  $16^{\circ}01'51''$  West, a distance of 256.62 feet to a  
22 calculated point;

23           21. With a curve to the left, having a radius of 606.85 feet,  
24 a delta angle of  $50^{\circ}15'23''$ , an arc length of 532.29 feet, and a chord  
25 which bears North  $37^{\circ}39'34''$  West, a distance of 515.39 feet to a  
26 calculated point;

27           22. North  $62^{\circ}55'18''$  West, a distance of 292.66 feet to a

1 calculated point;

2 23. With a curve to the right, having a radius of 1466.51  
3 feet, a delta angle of  $180^{\circ}00'00''$ , an arc length of 4607.17 feet, and  
4 a chord which bears North  $27^{\circ}04'42''$  East, a distance of 2933.02 feet  
5 to a calculated point;

6 24. South  $62^{\circ}55'18''$  East, a distance of 292.66 feet to a  
7 calculated point;

8 25. With a curve to the left, having a radius of 606.85 feet,  
9 a delta angle of  $50^{\circ}15'23''$ , an arc length of 532.29 feet, and a chord  
10 which bears South  $88^{\circ}11'02''$  East, a distance of 515.39 feet to a  
11 calculated point;

12 26. North  $70^{\circ}11'14''$  East, a distance of 260.49 feet to a  
13 calculated point;

14 27. With a curve to the right, having a radius of 428.50  
15 feet, a delta angle of  $57^{\circ}46'46''$ , an arc length of 432.12 feet, and a  
16 chord which bears North  $02^{\circ}55'38''$  West, a distance of 414.04 feet to  
17 a calculated point;

18 28. North  $25^{\circ}57'45''$  East, a distance of 891.49 feet to a  
19 calculated point;

20 29. With a curve to the right, having a radius of 750.00  
21 feet, a delta angle of  $16^{\circ}27'44''$ , an arc length of 215.49 feet, and a  
22 chord which bears North  $34^{\circ}11'36''$  East, a distance of 214.75 feet to  
23 a calculated point;

24 30. North  $42^{\circ}25'28''$  East, a distance of 130.83 feet to a  
25 calculated point in the common line of said 138.540 acre tract and  
26 said 380.080 acre tract, from which a  $3/4''$  iron pipe found for an  
27 angle point in said common line bears North  $47^{\circ}34'32''$  West, a

1 distance of 1131.25 feet;  
2 THENCE South 47°34'32" East, with said common line, a distance of  
3 1475.59 feet to the POINT OF BEGINNING, containing 557.672 acres of  
4 land, more or less.

5 SAVE AND EXCEPT 0.485 ACRES:

6 BEING ALL OF A 21,064 SQUARE FOOT TRACT DESCRIBED IN A WARRANTY DEED  
7 AND ACCESS EASEMENT TO CREEDMOOR-MAHA WATER SUPPLY CORPORATION,  
8 DATED MAY 24 1999 AND RECORDED IN DOCUMENT NO. 1999070566 OF THE  
9 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY TEXAS; SAID 0.485 ACRE  
10 TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS  
11 FOLLOWS:

12 BEGINNING at a 1/2" rebar found for the south corner of said 21,064  
13 square foot tract, same being an angle point in the southwest line  
14 of said 232.233 acre tract, also being in the northeast line of said  
15 37.390 acre tract;

16 THENCE North 62°15'58" West, with the southwest line of said 21,064  
17 square foot tract, same being the northeast line of said 37.390 acre  
18 tract, a distance of 84.16 feet to a 1/2" rebar with Chaparral cap  
19 found for the west corner of said 21,064 square foot tract, same  
20 being an angle point in the southwest line of said 232.233 acre  
21 tract;

22 THENCE with the common line of said 21,064 square foot tract and  
23 said 232.233 acre tract, the following three (3) courses and  
24 distances:

25         1. North 27°03'32" East, a distance of 251.09 feet to a 1/2"  
26 rebar found;

27         2. South 62°00'51" East, a distance of 84.16 feet to a 1/2"

1 rebar found;

2 3. South 27°03'32" West, a distance of 250.72 feet to the  
3 POINT OF BEGINNING, containing 0.485 acres of land, more or less.

4 SECTION 3. (a) The legal notice of the intention to  
5 introduce this Act, setting forth the general substance of this  
6 Act, has been published as provided by law, and the notice and a  
7 copy of this Act have been furnished to all persons, agencies,  
8 officials, or entities to which they are required to be furnished  
9 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
10 Government Code.

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

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

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

22 SECTION 4. Except as provided by Section 4 of this Act:

23 (1) this Act takes effect immediately if it receives a  
24 vote of two-thirds of all members elected to each house, as provided  
25 by Section 39, Article III, Texas Constitution; and

26 (2) if this Act does not receive the vote necessary for  
27 immediate effect, this Act takes effect September 1, 2011.