

By: Watson

S.B. No. 927

A BILL TO BE ENTITLED

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

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle F, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 8____ to read as follows:

8 CHAPTER 8____. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 8____.001. DEFINITIONS. In this chapter:

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

12 (2) "Director" means a board member.

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

15 Sec. 8____.002. NATURE OF DISTRICT. The district is a
16 municipal utility district created under Section 59, Article XVI,
17 Texas Constitution.

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

22 Sec. 8____.004. CONSENT OF MUNICIPALITY REQUIRED. The
23 temporary directors may not hold an election under Section 8____.003
24 until each municipality in whose corporate limits or

1 extraterritorial jurisdiction the district is located has
2 consented by ordinance or resolution to the creation of the
3 district and to the inclusion of land in the district.

4 Sec. 8____.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
5 The district is created to serve a public purpose and benefit.

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

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

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

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

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

20 (1) organization, existence, or validity;

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

24 (3) right to impose a tax; or

25 (4) legality or operation.

26 [Sections 8____.007-8____.050 reserved for expansion]

27 SUBCHAPTER B. BOARD OF DIRECTORS

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

3 (b) Except as provided by Section 8____.052, directors serve
4 staggered four-year terms.

5 Sec. 8____.052. TEMPORARY DIRECTORS.

6 (a) On or after the effective date of the Act creating this
7 chapter, the owner or owners of a majority of the assessed value of
8 the real property in the district may submit a petition to the Texas
9 Commission on Environmental Quality requesting that the commission
10 appoint as temporary directors the five persons named in the
11 petition. The commission shall appoint as temporary directors the
12 five persons named in the petition.

13 (b) Temporary directors serve until the earlier of:

14 (1) the date permanent directors are elected under
15 Section 8____.003; or

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

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

23 (1) the date permanent directors are elected under
24 Section 8____.003; or

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

27 (d) If Subsection (c) applies, the owner or owners of a

1 majority of the assessed value of the real property in the district
2 may submit a petition to the commission requesting that the
3 commission appoint as successor temporary directors the five
4 persons named in the petition. The commission shall appoint as
5 successor temporary directors the five persons named in the
6 petition.

7 [Sections 8____.053-8____.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

9 Sec. 8____.101. GENERAL POWERS AND DUTIES. The district has
10 the powers and duties necessary to accomplish the purposes for
11 which the district is created.

12 Sec. 8____.102. MUNICIPAL UTILITY DISTRICT POWERS AND
13 DUTIES. The district has the powers and duties provided by the
14 general law of this state, including Chapters 49 and 54, Water Code,
15 applicable to municipal utility districts created under Section 59,
16 Article XVI, Texas Constitution.

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

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

27 Sec. 8____.104. APPROVAL OF ROAD PROJECT. (a) The district

1 may not undertake a road project authorized by Section 8___.103
2 unless:

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

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

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

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

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

23 (1) a road project authorized by Section 8___.103; or

24 (2) a recreational facility as defined by Section
25 49.462, Water Code.

26 [Sections 8___.107-8___.150 reserved for expansion]

27 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

1 Sec. 8____.151. ELECTIONS REGARDING TAXES OR BONDS.

2 (a) The district may issue, without an election, bonds and other
3 obligations secured by:

4 (1) revenue other than ad valorem taxes; or

5 (2) contract payments described by Section 8____.153.

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

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

14 Sec. 8____.152. OPERATION AND MAINTENANCE TAX. (a) If

15 authorized at an election held under Section 8____.151, the district
16 may impose an operation and maintenance tax on taxable property in
17 the district in accordance with Section 49.107, Water Code.

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

20 Sec. 8____.153. CONTRACT TAXES. (a) In accordance with

21 Section 49.108, Water Code, the district may impose a tax other than
22 an operation and maintenance tax and use the revenue derived from
23 the tax to make payments under a contract after the provisions of
24 the contract have been approved by a majority of the district voters
25 voting at an election held for that purpose.

26 (b) A contract approved by the district voters may contain a
27 provision stating that the contract may be modified or amended by

1 the board without further voter approval.

2 [Sections 8____.154-8____.200 reserved for expansion]

3 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

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

24 A DESCRIPTION OF 557.672 ACRES IN THE SANTIAGO DEL VALLE GRANT IN
25 TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 138.540 ACRE TRACT
26 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
27 DATED MARCH 2, 2007 AND RECORDED IN DOCUMENT NO. 2007038642 OF THE

1 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
2 20.807 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA
3 ACQUISITION INC., DATED JANUARY 3, 2007 AND RECORDED IN DOCUMENT
4 NO. 2007003159 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
5 TEXAS, A PORTION OF AN 81.018 ACRE TRACT DESCRIBED IN A SPECIAL
6 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 12, 2006 AND
7 RECORDED IN DOCUMENT NO. 2006246454 OF THE OFFICIAL PUBLIC RECORDS
8 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 103.415 ACRE TRACT DESCRIBED
9 IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER
10 20, 2006 AND RECORDED IN DOCUMENT NO. 2006224021 OF THE OFFICIAL
11 PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 167.748 ACRE
12 TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION
13 INC., DATED DECEMBER 13, 2006 AND RECORDED IN DOCUMENT NO.
14 2006241307 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS,
15 A PORTION OF A 42.558 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY
16 DEED TO JONA ACQUISITION INC., DATED MAY 16, 2008 AND RECORDED IN
17 DOCUMENT NO. 2008083861 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS
18 COUNTY, TEXAS, A PORTION OF A 20.005 ACRE TRACT DESCRIBED IN A
19 WARRANTY DEED WITH VENDOR'S LIEN TO JOHN T. HALDENSTEIN AND JOSHUA
20 N. HALDENSTEIN, DATED DECEMBER 14, 2000 AND RECORDED IN DOCUMENT
21 NO. 2000203669 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
22 TEXAS, A PORTION OF A 198.302 ACRE TRACT DESCRIBED IN A GENERAL
23 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 20, 2006 AND
24 RECORDED IN DOCUMENT NO. 2006244772 OF THE OFFICIAL PUBLIC RECORDS
25 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED
26 IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO JONA ACQUISITION
27 INC., DATED JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190

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

12 BEGINNING at a 1/2" iron pipe found for an interior ell corner in
13 the north line of said 138.540 acre tract, same being an angle point
14 in the south line of a 380.080 acre tract described in a deed to
15 Ernest Collins and Floretta Collins, recorded in Volume 12791, Page
16 11 of the Real Property Records of Travis County, Texas;

17 THENCE crossing said 138.540 acre tract, said 20.807 acre tract,
18 Colton Bluff Springs Road, said 81.018 acre tract, said 103.415
19 acre tract, said 167.748 acre tract, said 42.558 acre tract, said
20 20.005 acre tract, said 198.302 acre tract, said 232.233 acre
21 tract, and said 37.390 acre tract, the following thirty (30)
22 courses and distances:

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

25 2. South 47°34'32" East, a distance of 42.94 feet to a
26 calculated point;

27 3. With a curve to the left, having a radius of 2002.94

1 feet, a delta angle of $22^{\circ}31'58''$, an arc length of 787.70
2 feet, and a chord which bears South $58^{\circ}50'31''$ East, a distance
3 of 782.64 feet to a calculated point;

4 4. South $19^{\circ}53'30''$ West, a distance of 342.26 feet to a
5 calculated point;

6 5. With a curve to the left, having a radius of 499.99
7 feet, a delta angle of $41^{\circ}14'55''$, an arc length of 359.95
8 feet, and a chord which bears South $00^{\circ}43'58''$ East, a distance
9 of 352.23 feet to a calculated point;

10 6. South $21^{\circ}21'01''$ East, a distance of 1149.03 feet to a
11 calculated point;

12 7. With a curve to the right, having a radius of 800.00
13 feet, a delta angle of $04^{\circ}05'43''$, an arc length of 57.18 feet,
14 and a chord which bears South $19^{\circ}18'34''$ East, a distance of
15 57.17 feet to a calculated point;

16 8. South $27^{\circ}06'32''$ West, a distance of 1006.99 feet to a
17 calculated point;

18 9. North $62^{\circ}55'07''$ West, a distance of 393.93 feet to a
19 calculated point;

20 10. South $27^{\circ}04'42''$ West, a distance of 1090.01 feet to
21 a calculated point;

22 11. South $62^{\circ}55'07''$ East, a distance of 393.35 feet to a
23 calculated point;

24 12. South $27^{\circ}05'07''$ West, a distance of 1284.12 feet to
25 a calculated point;

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

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

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

7 16. With a curve to the right, having a radius of
8 1399.96 feet, a delta angle of $31^{\circ}17'38''$, an arc length of
9 764.63 feet, and a chord which bears North $77^{\circ}27'10''$ West, a
10 distance of 755.16 feet to a calculated point;

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

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

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

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

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

25 22. North $62^{\circ}55'18''$ West, a distance of 292.66 feet to a
26 calculated point;

27 23. With a curve to the right, having a radius of

1 1466.51 feet, a delta angle of $180^{\circ}00'00''$, an arc length of
2 4607.17 feet, and a chord which bears North $27^{\circ}04'42''$ East, a
3 distance of 2933.02 feet to a calculated point;

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

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

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

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

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

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

22 30. North $42^{\circ}25'28''$ East, a distance of 130.83 feet to a
23 calculated point in the common line of said 138.540 acre
24 tract and said 380.080 acre tract, from which a $3/4''$ iron pipe
25 found for an angle point in said common line bears North
26 $47^{\circ}34'32''$ West, a distance of 1131.25 feet;

27 THENCE South $47^{\circ}34'32''$ East, with said common line, a distance of

1 1475.59 feet to the POINT OF BEGINNING, containing 557.672 acres of
2 land, more or less.

3 SAVE AND EXCEPT 0.485 ACRES:

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

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

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

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

23 1. North 27°03'32" East, a distance of 251.09 feet to a
24 1/2" rebar found;

25 2. South 62°00'51" East, a distance of 84.16 feet to a
26 1/2" rebar found;

27 3. South 27°03'32" West, a distance of 250.72 feet to

1 the POINT OF BEGINNING, containing 0.485 acres of land, more
2 or less.

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

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

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

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

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

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

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