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S.B. No. 1913

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Southeast Travis County Municipal Utility District No. 1; providing authority to impose a tax and issue bonds.

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 8382 to read as follows:

CHAPTER 8382. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT

NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8382.001. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Southeast Travis County Municipal Utility District No. 1.

(5) "Municipality" means a municipality in whose corporate limits or extraterritorial jurisdiction the district is located.

Sec. 8382.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8382.003. CONFIRMATION AND DIRECTORS' ELECTION

1 REQUIRED. The temporary directors shall hold an election to
2 confirm the creation of the district and to elect permanent
3 directors as provided by Section 8382.051 of this code and Section
4 49.102, Water Code.

5 Sec. 8382.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The
6 temporary directors may not hold an election under Section 8382.003
7 until each municipality has consented by ordinance or resolution to
8 the creation of the district and to the inclusion of land in the
9 district.

10 (b) If a municipality does not consent to the creation of
11 the district or if the district does not enter into an agreement
12 required by the terms of the municipal ordinance or resolution
13 consenting to the creation of the district under this section
14 before September 1, 2012:

15 (1) the district is dissolved September 1, 2012,
16 except that:

17 (A) any debts incurred shall be paid;

18 (B) any assets that remain after the payment of
19 debts shall be transferred to the municipality or another local
20 governmental entity to be used for a public purpose; and

21 (C) the organization of the district shall be
22 maintained until all debts are paid and remaining assets are
23 transferred; and

24 (2) this chapter expires September 1, 2012.

25 Sec. 8382.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

3 (2) Section 52, Article III, Texas Constitution, that
4 relate to the construction, acquisition, or improvement of
5 macadamized, graveled, or paved roads described by Section 54.234,
6 Water Code, or improvements, including storm drainage, in aid of
7 those roads.

8 Sec. 8382.006. INITIAL DISTRICT TERRITORY. (a) The
9 district is initially composed of the territory described by
10 Section 2 of the Act enacting this chapter.

11 (b) The boundaries and field notes contained in Section 2 of
12 the Act enacting this chapter form a closure. A mistake made in the
13 field notes or in copying the field notes in the legislative process
14 does not affect the district's:

15 (1) organization, existence, or validity;

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

19 (3) right to impose a tax; or

20 (4) legality or operation.

21 [Sections 8382.007-8382.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 8382.051. GOVERNING BODY; TERMS. (a) Except as
24 provided by Subsection (b), the district is governed by a board of
25 five elected directors.

26 (b) If required under the terms of the agreement, ordinance,
27 or resolution by which a municipality consents to the creation of

1 the district, the board consists of:

2 (1) four elected directors; and

3 (2) one director appointed by the governing body of
4 the municipality.

5 (c) A director appointed under Subsection (b)(2) is not
6 required to be a qualified voter of the district or to own land
7 subject to taxation in the district.

8 (d) Except as provided by Section 8382.052, directors serve
9 staggered four-year terms. A permanent director may not serve more
10 than two four-year terms.

11 (e) The common law doctrine of incompatibility does not
12 disqualify an official or employee of a municipality from being
13 appointed a director by the governing body of a municipality under
14 Subsection (b)(2), and a director appointed to the board may
15 continue to serve in a public office of or be employed by the
16 municipality.

17 Sec. 8382.052. TEMPORARY DIRECTORS. (a) On or after the
18 effective date of the Act enacting this chapter, the owner or owners
19 of a majority of the assessed value of the real property in the
20 district may submit a petition to the commission requesting that
21 the commission appoint as temporary directors the five persons
22 named in the petition. The commission shall appoint as temporary
23 directors the five persons named in the petition.

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

25 (1) the date permanent directors are elected under
26 Section 8382.003; or

27 (2) the fourth anniversary of the effective date of

1 the Act enacting this chapter.

2 (c) If permanent directors have not been elected under
3 Section 8382.003 and the terms of the temporary directors have
4 expired, successor temporary directors shall be appointed or
5 reappointed as provided by Subsection (d) to serve terms that
6 expire on the earlier of:

7 (1) the date permanent directors are elected under
8 Section 8382.003; or

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

11 (d) If Subsection (c) applies, the owner or owners of a
12 majority of the assessed value of the real property in the district
13 may submit a petition to the commission requesting that the
14 commission appoint as successor temporary directors the five
15 persons named in the petition. The commission shall appoint as
16 successor temporary directors the five persons named in the
17 petition.

18 [Sections 8382.053-8382.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8382.101. GENERAL POWERS AND DUTIES. The district has
21 the powers and duties necessary to accomplish the purposes for
22 which the district is created.

23 Sec. 8382.102. MUNICIPAL UTILITY DISTRICT POWERS AND
24 DUTIES. The district has the powers and duties provided by the
25 general law of this state, including Chapters 49 and 54, Water Code,
26 applicable to municipal utility districts created under Section 59,
27 Article XVI, Texas Constitution.

1 Sec. 8382.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
2 Section 52, Article III, Texas Constitution, the district may
3 design, acquire, construct, finance, issue bonds for, improve, and
4 convey to this state, a county, or a municipality for operation and
5 maintenance macadamized, graveled, or paved roads described by
6 Section 54.234, Water Code, or improvements, including storm
7 drainage, in aid of those roads.

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

11 Sec. 8382.104. APPROVAL OF ROAD PROJECT. (a) The district
12 may not undertake a road project authorized by Section 8382.103
13 unless:

14 (1) each municipality or county that will operate and
15 maintain the road has approved the plans and specifications of the
16 road project, if a municipality or county will operate and maintain
17 the road; or

18 (2) the Texas Transportation Commission has approved
19 the plans and specifications of the road project, if the state will
20 operate and maintain the road.

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

25 Sec. 8382.105. COMPLIANCE WITH AND ENFORCEABILITY OF
26 MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The
27 district shall comply with all applicable requirements of any

1 ordinance or resolution that is adopted under Section 54.016 or
2 54.0165, Water Code, and that consents to the creation of the
3 district or to the inclusion of land in the district.

4 (b) Any agreement between the district and a municipality
5 related to the municipality's consent to the creation of the
6 district is valid and enforceable.

7 (c) On the issuance of bonds by the district, the district
8 is considered to have waived sovereign immunity to suit by a
9 municipality for the purpose of adjudicating a claim for breach of
10 an agreement described by this section.

11 Sec. 8382.106. CONTRACT TO FURTHER REGIONAL COOPERATION.
12 The district and a municipality may contract on terms that the board
13 and governing body of the municipality agree will further regional
14 cooperation between the district and the municipality.

15 Sec. 8382.107. NO EMINENT DOMAIN POWER. The district may
16 not exercise the power of eminent domain.

17 [Sections 8382.108-8382.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 8382.151. ELECTIONS REGARDING TAXES OR BONDS.

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

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

23 (2) contract payments described by Section 8382.153.

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

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

5 Sec. 8382.152. OPERATION AND MAINTENANCE TAX. (a) If
6 authorized at an election held under Section 8382.151, the district
7 may impose an operation and maintenance tax on taxable property in
8 the district in accordance with Section 49.107, Water Code.

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

11 (c) If required by an agreement between the district and a
12 municipality under Section 8382.105, the total ad valorem tax rate
13 of the district may not be less than the total ad valorem tax rate of
14 the municipality.

15 Sec. 8382.153. CONTRACT TAXES. (a) In accordance with
16 Section 49.108, Water Code, the district may impose a tax other than
17 an operation and maintenance tax and use the revenue derived from
18 the tax to make payments under a contract after the provisions of
19 the contract have been approved by a majority of the district voters
20 voting at an election held for that purpose.

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

24 [Sections 8382.154-8382.200 reserved for expansion]

25 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

26 Sec. 8382.201. AUTHORITY TO ISSUE BONDS AND OTHER
27 OBLIGATIONS. The district may issue bonds or other obligations

1 payable wholly or partly from ad valorem taxes, impact fees,
2 revenue, contract payments, grants, or other district money, or any
3 combination of those sources, to pay for any authorized district
4 purpose.

5 Sec. 8382.202. TAXES FOR BONDS. At the time the district
6 issues bonds payable wholly or partly from ad valorem taxes, the
7 board shall provide for the annual imposition of a continuing
8 direct ad valorem tax, without limit as to rate or amount, while all
9 or part of the bonds are outstanding as required and in the manner
10 provided by Sections 54.601 and 54.602, Water Code.

11 Sec. 8382.203. BONDS FOR ROAD PROJECTS. At the time of
12 issuance, the total principal amount of bonds or other obligations
13 issued or incurred to finance road projects and payable from ad
14 valorem taxes may not exceed one-fourth of the assessed value of the
15 real property in the district.

16 [Sections 8382.204-8382.250 reserved for expansion]

17 SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL
18 ANNEXATION AND NOTICE

19 Sec. 8382.251. STRATEGIC PARTNERSHIP; CONTINUATION OF
20 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may
21 continue to exist as a limited district after full-purpose
22 annexation by a municipality if the district and the annexing
23 municipality state the terms of the limited district's existence in
24 a strategic partnership agreement under Section 43.0751, Local
25 Government Code.

26 (b) The strategic partnership agreement may provide for a
27 term of any number of years. The limitation in Section

1 43.0751(g)(2), Local Government Code, on the length of the term
2 does not apply to a limited district created under this section.

3 Sec. 8382.252. MUNICIPAL ANNEXATION; NOTICE.

4 (a) Sections 43.0561 and 43.0562, Local Government Code, do not
5 apply to the annexation of the district by a municipality that
6 consents to the creation of the district under Section 8382.004.

7 (b) Not later than the 30th day after the date a
8 municipality adopts a resolution or ordinance consenting to the
9 creation of the district, the municipality shall file, in the real
10 property records of the county in which the land to be included in
11 the district is located, a notice to a purchaser of real property in
12 the district that describes:

13 (1) the municipality's authority and intention to
14 annex the district; and

15 (2) the anticipated date of the annexation.

16 (c) After the notice is filed, a person who proposes to sell
17 or otherwise convey real property in the district must include the
18 information contained in the municipality's notice in the Notice to
19 Purchasers required by Section 49.452, Water Code.

20 SECTION 2. The Southeast Travis County Municipal Utility
21 District No. 1 initially includes all the territory contained in
22 the following area:

23 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND A PART OF
24 THE JOSE ANTONIO NAVARRO SURVEY, ABSTRACT 18, SITUATED IN TRAVIS
25 COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED
26 AS BEING ALL OF THAT CERTAIN 54.350 ACRE TRACT OF LAND CONVEYED TO
27 QUALICO CR, LP IN DOCUMENT NUMBER 2007154327, ALL OF THAT CERTAIN

1 110.263 ACRE TRACT OF LAND CONVEYED TO QUALICO CR, LP IN DOCUMENT
2 NUMBER 2008139826 AND ALL OF THAT CERTAIN 23.106 ACRE TRACT OF LAND
3 CONVEYED TO QUALICO CR, LP IN DOCUMENT NUMBER 2009141317, ALL OF THE
4 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 187.720 ACRE
5 TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS
6 FOLLOWS:

7 BEGINNING, at an iron rod found at the northeast corner of said
8 54.350 acre Qualico CR, LP tract, also being the northwest corner of
9 Timber Hills Subdivision, a subdivision recorded in Book 72, Page
10 21 of the Plat Records of Travis County, Texas (P.R.T.C.TX.), also
11 being a point located in the southern right-of-way line of Pearce
12 Lane, a public roadway, for the northeast corner and POINT OF
13 BEGINNING of the herein described tract,

14 THENCE, with the common boundary line of said Timber Hills
15 Subdivision and said Qualico CR, LP tracts, the following six (6)
16 courses and distances, numbered 1 through 6,

17 1. S27°56'54"W, a distance of 259.21 feet to an iron rod
18 found ,

19 2. S27°34'16"W, a distance of 1900.84 feet to an iron rod
20 found,

21 3. S27°39'26"W, a distance of 763.63 feet to an iron rod
22 found,

23 4. S27°48'23"W, a distance of 644.68 feet to an iron rod
24 found,

25 5. S27°43'28"W, a distance of 242.58 feet to an iron rod
26 found and

27 6. S27°15'41"W, a distance of 252.18 feet to an iron rod

1 found at the southeast corner of said 23.106 acre Qualico CR,
2 LP tract for the southeast corner of the herein described
3 tract,

4 THENCE, with the southern boundary line of said 23.106 acre Qualico
5 CR, LP tract, and the northern boundary lines of that certain 67.70
6 acre tract of land conveyed to Billy J. Cannady, et. ux. in Volume
7 8080, Page 452 of the Deed Records of Travis County, Texas and that
8 certain 25 acre tract of land conveyed to Bernard E. Stratman, Jr.
9 in Volume 4488, Page 1362 of the Deed Records of Travis County,
10 Texas, the following four (4) courses and distances, numbered 1
11 through 4,

12 1. N63°04'01"W, a distance of 214.78 feet to an iron rod
13 found,

14 2. N62°26'16"W, a distance of 814.31 feet to an iron rod
15 found,

16 3. N62°23'58"W, a distance of 121.87 feet to an iron rod
17 found and

18 4. N62°25'02"W, a distance of 876.13 feet to an iron rod
19 found at the southwest corner of said 23.106 acre Qualico CR,
20 LP tract, for the southwest corner of the herein described
21 tract,

22 THENCE, with the western boundary line of said all Qualico CR, LP
23 tracts and that certain 46.041 acre tract of land conveyed to Son
24 Dau Trust in Volume 12274, Page 200 in the Real Property Records of
25 Travis County, Texas, N27°42'19"E, a distance of 4000.33 feet to an
26 iron rod found at the northwest corner of said 54.350 acre Qualico
27 CR, LP tract, for the northwest corner of the herein described

1 tract,
2 THENCE, with the northern boundary line of said 54.350 acre Qualico
3 CR, LP tract, S64°40'51"E, a distance of 1000.59 feet to an iron rod
4 found, also being a point on the southern right-of-way of said
5 Pearce Lane,
6 THENCE, continuing with the northern boundary line of said 54.350
7 acre Qualico CR, LP tract and the southern right-of-way of said
8 Pearce Lane, the following two (2) courses and distances, numbered
9 1 and 2,

- 10 1. S64°40'52"E, a distance of 571.91 feet to an iron rod
11 found at a point of curvature to the right,
- 12 2. with said curve to the right having a radius of
13 6411.14 feet, an arc length of 451.33 feet and whose chord
14 bears, S62°50'33"E, a distance of 451.24 feet to the POINT OF
15 BEGINNING, and containing 187.720 acres of land.

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

23 (b) The governor, one of the required recipients, has
24 submitted the notice and Act to the Texas Commission on
25 Environmental Quality.

26 (c) The Texas Commission on Environmental Quality has filed
27 its recommendations relating to this Act with the governor, the

1 lieutenant governor, and the speaker of the house of
2 representatives within the required time.

3 (d) All requirements of the constitution and laws of this
4 state and the rules and procedures of the legislature with respect
5 to the notice, introduction, and passage of this Act are fulfilled
6 and accomplished.

7 SECTION 4. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2011.