

1-1 By: Watson S.B. No. 1913  
1-2 (In the Senate - Filed April 21, 2011; April 26, 2011, read  
1-3 first time and referred to Committee on Intergovernmental  
1-4 Relations; May 13, 2011, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;  
1-6 May 13, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1913 By: Nichols

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation of the Southeast Travis County Municipal  
1-11 Utility District No. 1; providing authority to impose a tax and  
1-12 issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-14 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
1-15 Code, is amended by adding Chapter 8382 to read as follows:

1-16 CHAPTER 8382. SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT  
1-17 NO. 1

1-18 SUBCHAPTER A. GENERAL PROVISIONS

1-19 Sec. 8382.001. DEFINITIONS. In this chapter:

1-20 (1) "Board" means the district's board of directors.

1-21 (2) "Commission" means the Texas Commission on  
1-22 Environmental Quality.

1-23 (3) "Director" means a board member.

1-24 (4) "District" means the Southeast Travis County  
1-25 Municipal Utility District No. 1.

1-26 (5) "Municipality" means a municipality in whose  
1-27 corporate limits or extraterritorial jurisdiction the district is  
1-28 located.

1-29 Sec. 8382.002. NATURE OF DISTRICT. The district is a  
1-30 municipal utility district created under Section 59, Article XVI,  
1-31 Texas Constitution.

1-32 Sec. 8382.003. CONFIRMATION AND DIRECTORS' ELECTION  
1-33 REQUIRED. The temporary directors shall hold an election to  
1-34 confirm the creation of the district and to elect permanent  
1-35 directors as provided by Section 8382.051 of this code and Section  
1-36 49.102, Water Code.

1-37 Sec. 8382.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
1-38 temporary directors may not hold an election under Section 8382.003  
1-39 until each municipality has consented by ordinance or resolution to  
1-40 the creation of the district and to the inclusion of land in the  
1-41 district.

1-42 (b) If a municipality does not consent to the creation of  
1-43 the district or if the district does not enter into an agreement  
1-44 required by the terms of the municipal ordinance or resolution  
1-45 consenting to the creation of the district under this section  
1-46 before September 1, 2012:

1-47 (1) the district is dissolved September 1, 2012,  
1-48 except that:

1-49 (A) any debts incurred shall be paid;

1-50 (B) any assets that remain after the payment of  
1-51 debts shall be transferred to the municipality or another local  
1-52 governmental entity to be used for a public purpose; and

1-53 (C) the organization of the district shall be  
1-54 maintained until all debts are paid and remaining assets are  
1-55 transferred; and

1-56 (2) this chapter expires September 1, 2012.

1-57 Sec. 8382.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-58 (a) The district is created to serve a public purpose and benefit.

1-59 (b) The district is created to accomplish the purposes of:

1-60 (1) a municipal utility district as provided by  
1-61 general law and Section 59, Article XVI, Texas Constitution; and

1-62 (2) Section 52, Article III, Texas Constitution, that  
1-63 relate to the construction, acquisition, or improvement of

2-1 macadamized, graveled, or paved roads described by Section 54.234,  
2-2 Water Code, or improvements, including storm drainage, in aid of  
2-3 those roads.

2-4 Sec. 8382.006. INITIAL DISTRICT TERRITORY. (a) The  
2-5 district is initially composed of the territory described by  
2-6 Section 2 of the Act enacting this chapter.

2-7 (b) The boundaries and field notes contained in Section 2 of  
2-8 the Act enacting this chapter form a closure. A mistake made in the  
2-9 field notes or in copying the field notes in the legislative process  
2-10 does not affect the district's:

2-11 (1) organization, existence, or validity;

2-12 (2) right to issue any type of bond for the purposes  
2-13 for which the district is created or to pay the principal of and  
2-14 interest on a bond;

2-15 (3) right to impose a tax; or

2-16 (4) legality or operation.

2-17 [Sections 8382.007-8382.050 reserved for expansion]

2-18 SUBCHAPTER B. BOARD OF DIRECTORS

2-19 Sec. 8382.051. GOVERNING BODY; TERMS. (a) Except as  
2-20 provided by Subsection (b), the district is governed by a board of  
2-21 five elected directors.

2-22 (b) If required under the terms of the agreement, ordinance,  
2-23 or resolution by which a municipality consents to the creation of  
2-24 the district, the board consists of:

2-25 (1) four elected directors; and

2-26 (2) one director appointed by the governing body of  
2-27 the municipality.

2-28 (c) A director appointed under Subsection (b)(2) is not  
2-29 required to be a qualified voter of the district or to own land  
2-30 subject to taxation in the district.

2-31 (d) Except as provided by Section 8382.052, directors serve  
2-32 staggered four-year terms. A permanent director may not serve more  
2-33 than two four-year terms.

2-34 (e) The common law doctrine of incompatibility does not  
2-35 disqualify an official or employee of a municipality from being  
2-36 appointed a director by the governing body of a municipality under  
2-37 Subsection (b)(2), and a director appointed to the board may  
2-38 continue to serve in a public office of or be employed by the  
2-39 municipality.

2-40 Sec. 8382.052. TEMPORARY DIRECTORS. (a) On or after the  
2-41 effective date of the Act enacting this chapter, the owner or owners  
2-42 of a majority of the assessed value of the real property in the  
2-43 district may submit a petition to the commission requesting that  
2-44 the commission appoint as temporary directors the five persons  
2-45 named in the petition. The commission shall appoint as temporary  
2-46 directors the five persons named in the petition.

2-47 (b) Temporary directors serve until the earlier of:

2-48 (1) the date permanent directors are elected under  
2-49 Section 8382.003; or

2-50 (2) the fourth anniversary of the effective date of  
2-51 the Act enacting this chapter.

2-52 (c) If permanent directors have not been elected under  
2-53 Section 8382.003 and the terms of the temporary directors have  
2-54 expired, successor temporary directors shall be appointed or  
2-55 reappointed as provided by Subsection (d) to serve terms that  
2-56 expire on the earlier of:

2-57 (1) the date permanent directors are elected under  
2-58 Section 8382.003; or

2-59 (2) the fourth anniversary of the date of the  
2-60 appointment or reappointment.

2-61 (d) If Subsection (c) applies, the owner or owners of a  
2-62 majority of the assessed value of the real property in the district  
2-63 may submit a petition to the commission requesting that the  
2-64 commission appoint as successor temporary directors the five  
2-65 persons named in the petition. The commission shall appoint as  
2-66 successor temporary directors the five persons named in the  
2-67 petition.

2-68 [Sections 8382.053-8382.100 reserved for expansion]

3-1 SUBCHAPTER C. POWERS AND DUTIES

3-2 Sec. 8382.101. GENERAL POWERS AND DUTIES. The district has  
 3-3 the powers and duties necessary to accomplish the purposes for  
 3-4 which the district is created.

3-5 Sec. 8382.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
 3-6 DUTIES. The district has the powers and duties provided by the  
 3-7 general law of this state, including Chapters 49 and 54, Water Code,  
 3-8 applicable to municipal utility districts created under Section 59,  
 3-9 Article XVI, Texas Constitution.

3-10 Sec. 8382.103. AUTHORITY FOR ROAD PROJECTS. (a) Under  
 3-11 Section 52, Article III, Texas Constitution, the district may  
 3-12 design, acquire, construct, finance, issue bonds for, improve, and  
 3-13 convey to this state, a county, or a municipality for operation and  
 3-14 maintenance macadamized, graveled, or paved roads described by  
 3-15 Section 54.234, Water Code, or improvements, including storm  
 3-16 drainage, in aid of those roads.

3-17 (b) The district may exercise the powers provided by this  
 3-18 section without submitting a petition to or obtaining approval from  
 3-19 the commission as required by Section 54.234, Water Code.

3-20 Sec. 8382.104. APPROVAL OF ROAD PROJECT. (a) The district  
 3-21 may not undertake a road project authorized by Section 8382.103  
 3-22 unless:

3-23 (1) each municipality or county that will operate and  
 3-24 maintain the road has approved the plans and specifications of the  
 3-25 road project, if a municipality or county will operate and maintain  
 3-26 the road; or

3-27 (2) the Texas Transportation Commission has approved  
 3-28 the plans and specifications of the road project, if the state will  
 3-29 operate and maintain the road.

3-30 (b) Except as provided by Subsection (a), the district is  
 3-31 not required to obtain approval from the Texas Transportation  
 3-32 Commission to design, acquire, construct, finance, issue bonds for,  
 3-33 improve, or convey a road project.

3-34 Sec. 8382.105. COMPLIANCE WITH AND ENFORCEABILITY OF  
 3-35 MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The  
 3-36 district shall comply with all applicable requirements of any  
 3-37 ordinance or resolution that is adopted under Section 54.016 or  
 3-38 54.0165, Water Code, and that consents to the creation of the  
 3-39 district or to the inclusion of land in the district.

3-40 (b) Any agreement between the district and a municipality  
 3-41 related to the municipality's consent to the creation of the  
 3-42 district is valid and enforceable.

3-43 (c) On the issuance of bonds by the district, the district  
 3-44 is considered to have waived sovereign immunity to suit by a  
 3-45 municipality for the purpose of adjudicating a claim for breach of  
 3-46 an agreement described by this section.

3-47 Sec. 8382.106. CONTRACT TO FURTHER REGIONAL COOPERATION.  
 3-48 The district and a municipality may contract on terms that the board  
 3-49 and governing body of the municipality agree will further regional  
 3-50 cooperation between the district and the municipality.

3-51 Sec. 8382.107. NO EMINENT DOMAIN POWER. The district may  
 3-52 not exercise the power of eminent domain.

3-53 [Sections 8382.108-8382.150 reserved for expansion]

3-54 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-55 Sec. 8382.151. ELECTIONS REGARDING TAXES OR BONDS.

3-56 (a) The district may issue, without an election, bonds and other  
 3-57 obligations secured by:

3-58 (1) revenue other than ad valorem taxes; or

3-59 (2) contract payments described by Section 8382.153.

3-60 (b) The district must hold an election in the manner  
 3-61 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-62 before the district may impose an ad valorem tax or issue bonds  
 3-63 payable from ad valorem taxes.

3-64 (c) The district may not issue bonds payable from ad valorem  
 3-65 taxes to finance a road project unless the issuance is approved by a  
 3-66 vote of a two-thirds majority of the district voters voting at an  
 3-67 election held for that purpose.

3-68 Sec. 8382.152. OPERATION AND MAINTENANCE TAX. (a) If  
 3-69 authorized at an election held under Section 8382.151, the district

4-1 may impose an operation and maintenance tax on taxable property in  
4-2 the district in accordance with Section 49.107, Water Code.

4-3 (b) The board shall determine the tax rate. The rate may not  
4-4 exceed the rate approved at the election.

4-5 (c) If required by an agreement between the district and a  
4-6 municipality under Section 8382.105, the total ad valorem tax rate  
4-7 of the district may not be less than the total ad valorem tax rate of  
4-8 the municipality.

4-9 Sec. 8382.153. CONTRACT TAXES. (a) In accordance with  
4-10 Section 49.108, Water Code, the district may impose a tax other than  
4-11 an operation and maintenance tax and use the revenue derived from  
4-12 the tax to make payments under a contract after the provisions of  
4-13 the contract have been approved by a majority of the district voters  
4-14 voting at an election held for that purpose.

4-15 (b) A contract approved by the district voters may contain a  
4-16 provision stating that the contract may be modified or amended by  
4-17 the board without further voter approval.

4-18 [Sections 8382.154-8382.200 reserved for expansion]

4-19 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-20 Sec. 8382.201. AUTHORITY TO ISSUE BONDS AND OTHER  
4-21 OBLIGATIONS. The district may issue bonds or other obligations  
4-22 payable wholly or partly from ad valorem taxes, impact fees,  
4-23 revenue, contract payments, grants, or other district money, or any  
4-24 combination of those sources, to pay for any authorized district  
4-25 purpose.

4-26 Sec. 8382.202. TAXES FOR BONDS. At the time the district  
4-27 issues bonds payable wholly or partly from ad valorem taxes, the  
4-28 board shall provide for the annual imposition of a continuing  
4-29 direct ad valorem tax, without limit as to rate or amount, while all  
4-30 or part of the bonds are outstanding as required and in the manner  
4-31 provided by Sections 54.601 and 54.602, Water Code.

4-32 Sec. 8382.203. BONDS FOR ROAD PROJECTS. At the time of  
4-33 issuance, the total principal amount of bonds or other obligations  
4-34 issued or incurred to finance road projects and payable from ad  
4-35 valorem taxes may not exceed one-fourth of the assessed value of the  
4-36 real property in the district.

4-37 [Sections 8382.204-8382.250 reserved for expansion]

4-38 SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL  
4-39 ANNEXATION AND NOTICE

4-40 Sec. 8382.251. STRATEGIC PARTNERSHIP; CONTINUATION OF  
4-41 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may  
4-42 continue to exist as a limited district after full-purpose  
4-43 annexation by a municipality if the district and the annexing  
4-44 municipality state the terms of the limited district's existence in  
4-45 a strategic partnership agreement under Section 43.0751, Local  
4-46 Government Code.

4-47 (b) The strategic partnership agreement may provide for a  
4-48 term of any number of years. The limitation in Section  
4-49 43.0751(g)(2), Local Government Code, on the length of the term  
4-50 does not apply to a limited district created under this section.

4-51 Sec. 8382.252. MUNICIPAL ANNEXATION; NOTICE.  
4-52 (a) Sections 43.0561 and 43.0562, Local Government Code, do not  
4-53 apply to the annexation of the district by a municipality that  
4-54 consents to the creation of the district under Section 8382.004.

4-55 (b) Not later than the 30th day after the date a  
4-56 municipality adopts a resolution or ordinance consenting to the  
4-57 creation of the district, the municipality shall file, in the real  
4-58 property records of the county in which the land to be included in  
4-59 the district is located, a notice to a purchaser of real property in  
4-60 the district that describes:

4-61 (1) the municipality's authority and intention to  
4-62 annex the district; and

4-63 (2) the anticipated date of the annexation.

4-64 (c) After the notice is filed, a person who proposes to sell  
4-65 or otherwise convey real property in the district must include the  
4-66 information contained in the municipality's notice in the Notice to  
4-67 Purchasers required by Section 49.452, Water Code.

4-68 SECTION 2. The Southeast Travis County Municipal Utility  
4-69 District No. 1 initially includes all the territory contained in

5-1 the following area:  
5-2 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND A PART OF  
5-3 THE JOSE ANTONIO NAVARRO SURVEY, ABSTRACT 18, SITUATED IN TRAVIS  
5-4 COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED  
5-5 AS BEING ALL OF THAT CERTAIN 54.350 ACRE TRACT OF LAND CONVEYED TO  
5-6 QUALICO CR, LP IN DOCUMENT NUMBER 2007154327, ALL OF THAT CERTAIN  
5-7 110.263 ACRE TRACT OF LAND CONVEYED TO QUALICO CR, LP IN DOCUMENT  
5-8 NUMBER 2008139826 AND ALL OF THAT CERTAIN 23.106 ACRE TRACT OF LAND  
5-9 CONVEYED TO QUALICO CR, LP IN DOCUMENT NUMBER 2009141317, ALL OF THE  
5-10 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 187.720 ACRE  
5-11 TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS  
5-12 FOLLOWS:  
5-13 BEGINNING, at an iron rod found at the northeast corner of said  
5-14 54.350 acre Qualico CR, LP tract, also being the northwest corner of  
5-15 Timber Hills Subdivision, a subdivision recorded in Book 72, Page  
5-16 21 of the Plat Records of Travis County, Texas (P.R.T.C.TX.), also  
5-17 being a point located in the southern right-of-way line of Pearce  
5-18 Lane, a public roadway, for the northeast corner and POINT OF  
5-19 BEGINNING of the herein described tract,  
5-20 THENCE, with the common boundary line of said Timber Hills  
5-21 Subdivision and said Qualico CR, LP tracts, the following six (6)  
5-22 courses and distances, numbered 1 through 6,  
5-23 1. S27°56'54"W, a distance of 259.21 feet to an iron rod  
5-24 found,  
5-25 2. S27°34'16"W, a distance of 1900.84 feet to an iron rod  
5-26 found,  
5-27 3. S27°39'26"W, a distance of 763.63 feet to an iron rod  
5-28 found,  
5-29 4. S27°48'23"W, a distance of 644.68 feet to an iron rod  
5-30 found,  
5-31 5. S27°43'28"W, a distance of 242.58 feet to an iron rod  
5-32 found and  
5-33 6. S27°15'41"W, a distance of 252.18 feet to an iron rod  
5-34 found at the southeast corner of said 23.106 acre Qualico CR,  
5-35 LP tract for the southeast corner of the herein described  
5-36 tract,  
5-37 THENCE, with the southern boundary line of said 23.106 acre Qualico  
5-38 CR, LP tract, and the northern boundary lines of that certain 67.70  
5-39 acre tract of land conveyed to Billy J. Cannady, et. ux. in Volume  
5-40 8080, Page 452 of the Deed Records of Travis County, Texas and that  
5-41 certain 25 acre tract of land conveyed to Bernard E. Stratman, Jr.  
5-42 in Volume 4488, Page 1362 of the Deed Records of Travis County,  
5-43 Texas, the following four (4) courses and distances, numbered 1  
5-44 through 4,  
5-45 1. N63°04'01"W, a distance of 214.78 feet to an iron rod  
5-46 found,  
5-47 2. N62°26'16"W, a distance of 814.31 feet to an iron rod  
5-48 found,  
5-49 3. N62°23'58"W, a distance of 121.87 feet to an iron rod  
5-50 found and  
5-51 4. N62°25'02"W, a distance of 876.13 feet to an iron rod  
5-52 found at the southwest corner of said 23.106 acre Qualico CR,  
5-53 LP tract, for the southwest corner of the herein described  
5-54 tract,  
5-55 THENCE, with the western boundary line of said all Qualico CR, LP  
5-56 tracts and that certain 46.041 acre tract of land conveyed to Son  
5-57 Dau Trust in Volume 12274, Page 200 in the Real Property Records of  
5-58 Travis County, Texas, N27°42'19"E, a distance of 4000.33 feet to an  
5-59 iron rod found at the northwest corner of said 54.350 acre Qualico  
5-60 CR, LP tract, for the northwest corner of the herein described  
5-61 tract,  
5-62 THENCE, with the northern boundary line of said 54.350 acre Qualico  
5-63 CR, LP tract, S64°40'51"E, a distance of 1000.59 feet to an iron rod  
5-64 found, also being a point on the southern right-of-way of said  
5-65 Pearce Lane,  
5-66 THENCE, continuing with the northern boundary line of said 54.350  
5-67 acre Qualico CR, LP tract and the southern right-of-way of said  
5-68 Pearce Lane, the following two (2) courses and distances, numbered  
5-69 1 and 2,

6-1 1. S64°40'52"E, a distance of 571.91 feet to an iron rod  
6-2 found at a point of curvature to the right,

6-3 2. with said curve to the right having a radius of  
6-4 6411.14 feet, an arc length of 451.33 feet and whose chord  
6-5 bears, S62°50'33"E, a distance of 451.24 feet to the POINT OF  
6-6 BEGINNING, and containing 187.720 acres of land.

6-7 SECTION 3. (a) The legal notice of the intention to  
6-8 introduce this Act, setting forth the general substance of this  
6-9 Act, has been published as provided by law, and the notice and a  
6-10 copy of this Act have been furnished to all persons, agencies,  
6-11 officials, or entities to which they are required to be furnished  
6-12 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6-13 Government Code.

6-14 (b) The governor, one of the required recipients, has  
6-15 submitted the notice and Act to the Texas Commission on  
6-16 Environmental Quality.

6-17 (c) The Texas Commission on Environmental Quality has filed  
6-18 its recommendations relating to this Act with the governor, the  
6-19 lieutenant governor, and the speaker of the house of  
6-20 representatives within the required time.

6-21 (d) All requirements of the constitution and laws of this  
6-22 state and the rules and procedures of the legislature with respect  
6-23 to the notice, introduction, and passage of this Act are fulfilled  
6-24 and accomplished.

6-25 SECTION 4. This Act takes effect immediately if it receives  
6-26 a vote of two-thirds of all the members elected to each house, as  
6-27 provided by Section 39, Article III, Texas Constitution. If this  
6-28 Act does not receive the vote necessary for immediate effect, this  
6-29 Act takes effect September 1, 2011.

6-30 \* \* \* \* \*