

SENATE AMENDMENTS

2nd Printing

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

1 Sec. 8____.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
2 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
16 district may impose an operation and maintenance tax on taxable
17 property in the district in accordance with Section 49.107, Water
18 Code.

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

21 Sec. 8____.153. CONTRACT TAXES. (a) In accordance with
22 Section 49.108, Water Code, the district may impose a tax other than
23 an operation and maintenance tax and use the revenue derived from
24 the tax to make payments under a contract after the provisions of
25 the contract have been approved by a majority of the district voters
26 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°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°05'54", an arc length of 759.86 feet, and a
5 chord which bears North 77°33'02" West, a distance of 750.56 feet to
6 a calculated point;

7 15. South 86°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°17'38", an arc length of 764.63 feet, and a
11 chord which bears North 77°27'10" West, a distance of 755.16 feet to
12 a calculated point;

13 17. North 61°48'21" West, a distance of 1135.34 feet to a
14 calculated point;

15 18. North 28°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°14'32", an arc length of 401.42 feet, and a
19 chord which bears North 58°50'30" East, a distance of 387.13 feet to
20 a calculated point;

21 20. North 16°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°15'23", an arc length of 532.29 feet, and a chord
25 which bears North 37°39'34" West, a distance of 515.39 feet to a
26 calculated point;

27 22. North 62°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.

ADOPTED

MAY 23 2011

Antony Spaw
Secretary of the Senate

By: *Wade R. Rosten*

H.B. No. 1756

Substitute the following for H.B. No. 1756:

By: *Wade R. Rosten*

C.S. H.B. No. 1756

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

5 SECTION 1. Subtitle F, Title 6, Special District Local Laws
6 Code, is amended by adding Chapter 8376 to read as follows:

7 CHAPTER 8376. PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8376.001. DEFINITIONS. In this chapter:

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

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

13 (3) "Director" means a board member.

14 (4) "District" means the Pilot Knob Municipal Utility
15 District No. 2.

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

19 Sec. 8376.002. NATURE OF DISTRICT. The district is a
20 municipal utility district created under Section 59, Article XVI,
21 Texas Constitution.

22 Sec. 8376.003. CONFIRMATION AND DIRECTORS' ELECTION
23 REQUIRED. The temporary directors shall hold an election to
24 confirm the creation of the district and to elect permanent

1 directors as provided by Section 8376.051 of this code and Section
2 49.102, Water Code.

3 Sec. 8376.004. CONSENT OF MUNICIPALITY REQUIRED. (a) The
4 temporary directors may not hold an election under Section 8376.003
5 until each municipality has consented by ordinance or resolution to
6 the creation of the district and to the inclusion of land in the
7 district.

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

13 (1) the district is dissolved September 1, 2012,
14 except that:

15 (A) any debts incurred shall be paid;

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

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

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

23 Sec. 8376.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
24 The district is created to serve a public purpose and benefit.

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

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

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

6 Sec. 8376.006. INITIAL DISTRICT TERRITORY. (a) The
7 district is initially composed of the territory described by
8 Section 2 of the Act enacting this chapter.

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

13 (1) organization, existence, or validity;

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

17 (3) right to impose a tax; or

18 (4) legality or operation.

19 [Sections 8376.007-8376.050 reserved for expansion]

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 8376.051. GOVERNING BODY; TERMS. (a) Except as
22 provided by Subsection (b), the district is governed by a board of
23 five elected directors.

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

27 (1) four elected directors; and

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

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

6 (d) Except as provided by Section 8376.052, directors serve
7 staggered four-year terms. A permanent director may not serve more
8 than two four-year terms.

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

15 Sec. 8376.052. TEMPORARY DIRECTORS. (a) On or after the
16 effective date of the Act enacting this chapter, the owner or owners
17 of a majority of the assessed value of the real property in the
18 district may submit a petition to the commission requesting that
19 the commission appoint as temporary directors the five persons
20 named in the petition. The commission shall appoint as temporary
21 directors the five persons named in the petition.

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

23 (1) the date permanent directors are elected under
24 Section 8376.003; or

25 (2) the fourth anniversary of the effective date of
26 the Act enacting this chapter.

27 (c) If permanent directors have not been elected under

1 Section 8376.003 and the terms of the temporary directors have
2 expired, successor temporary directors shall be appointed or
3 reappointed as provided by Subsection (d) to serve terms that
4 expire on the earlier of:

5 (1) the date permanent directors are elected under
6 Section 8376.003; or

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

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

16 [Sections 8376.053-8376.100 reserved for expansion]

17 SUBCHAPTER C. POWERS AND DUTIES

18 Sec. 8376.101. GENERAL POWERS AND DUTIES. The district has
19 the powers and duties necessary to accomplish the purposes for
20 which the district is created.

21 Sec. 8376.102. MUNICIPAL UTILITY DISTRICT POWERS AND
22 DUTIES. The district has the powers and duties provided by the
23 general law of this state, including Chapters 49 and 54, Water Code,
24 applicable to municipal utility districts created under Section 59,
25 Article XVI, Texas Constitution.

26 Sec. 8376.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
27 Section 52, Article III, Texas Constitution, the district may

1 design, acquire, construct, finance, issue bonds for, improve, and
2 convey to this state, a county, or a municipality for operation and
3 maintenance macadamized, graveled, or paved roads described by
4 Section 54.234, Water Code, or improvements, including storm
5 drainage, in aid of those roads.

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

9 Sec. 8376.104. APPROVAL OF ROAD PROJECT. (a) The district
10 may not undertake a road project authorized by Section 8376.103
11 unless:

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

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

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

23 Sec. 8376.105. COMPLIANCE WITH AND ENFORCEABILITY OF
24 MUNICIPAL CONSENT AGREEMENT, ORDINANCE, OR RESOLUTION. (a) The
25 district shall comply with all applicable requirements of any
26 ordinance or resolution that is adopted under Section 54.016 or
27 54.0165, Water Code, and that consents to the creation of the

1 district or to the inclusion of land in the district.

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

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

9 Sec. 8376.106. CONTRACT TO FURTHER REGIONAL COOPERATION.
10 The district and a municipality may contract on terms that the board
11 and governing body of the municipality agree will further regional
12 cooperation between the district and the municipality.

13 Sec. 8376.107. NO EMINENT DOMAIN POWER. The district may
14 not exercise the power of eminent domain.

15 [Sections 8376.108-8376.150 reserved for expansion]

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 8376.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
18 district may issue, without an election, bonds and other
19 obligations secured by:

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

21 (2) contract payments described by Section 8376.153.

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

26 (c) The district may not issue bonds payable from ad valorem
27 taxes to finance a road project unless the issuance is approved by a

1 vote of a two-thirds majority of the district voters voting at an
2 election held for that purpose.

3 Sec. 8376.152. OPERATION AND MAINTENANCE TAX. (a) If
4 authorized at an election held under Section 8376.151, the district
5 may impose an operation and maintenance tax on taxable property in
6 the district in accordance with Section 49.107, Water Code.

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

9 (c) If required by an agreement between the district and a
10 municipality under Section 8376.105, the total ad valorem tax rate
11 of the district may not be less than the total ad valorem tax rate of
12 the municipality.

13 Sec. 8376.153. CONTRACT TAXES. (a) In accordance with
14 Section 49.108, Water Code, the district may impose a tax other than
15 an operation and maintenance tax and use the revenue derived from
16 the tax to make payments under a contract after the provisions of
17 the contract have been approved by a majority of the district voters
18 voting at an election held for that purpose.

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

22 [Sections 8376.154-8376.200 reserved for expansion]

23 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

24 Sec. 8376.201. AUTHORITY TO ISSUE BONDS AND OTHER
25 OBLIGATIONS. The district may issue bonds or other obligations
26 payable wholly or partly from ad valorem taxes, impact fees,
27 revenue, contract payments, grants, or other district money, or any

1 combination of those sources, to pay for any authorized district
2 purpose.

3 Sec. 8376.202. TAXES FOR BONDS. At the time the district
4 issues bonds payable wholly or partly from ad valorem taxes, the
5 board shall provide for the annual imposition of a continuing
6 direct ad valorem tax, without limit as to rate or amount, while all
7 or part of the bonds are outstanding as required and in the manner
8 provided by Sections 54.601 and 54.602, Water Code.

9 Sec. 8376.203. BONDS FOR ROAD PROJECTS. At the time of
10 issuance, the total principal amount of bonds or other obligations
11 issued or incurred to finance road projects and payable from ad
12 valorem taxes may not exceed one-fourth of the assessed value of the
13 real property in the district.

14 [Sections 8376.204-8376.250 reserved for expansion]

15 SUBCHAPTER F. STRATEGIC PARTNERSHIP AGREEMENT; MUNICIPAL

16 ANNEXATION AND NOTICE

17 Sec. 8376.251. STRATEGIC PARTNERSHIP; CONTINUATION OF
18 DISTRICT AFTER ANNEXATION BY MUNICIPALITY. (a) The district may
19 continue to exist as a limited district after full-purpose
20 annexation by a municipality if the district and the annexing
21 municipality state the terms of the limited district's existence in
22 a strategic partnership agreement under Section 43.0751, Local
23 Government Code.

24 (b) The strategic partnership agreement may provide for a
25 term of any number of years. The limitation in Section
26 43.0751(g)(2), Local Government Code, on the length of the term
27 does not apply to a limited district created under this section.

1 Sec. 8376.252. MUNICIPAL ANNEXATION; NOTICE. (a) Sections
2 43.0561 and 43.0562, Local Government Code, do not apply to the
3 annexation of the district by a municipality that consents to the
4 creation of the district under Section 8376.004.

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

11 (1) the municipality's authority and intention to
12 annex the district; and

13 (2) the anticipated date of the annexation.

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

18 SECTION 2. The Pilot Knob Municipal Utility District No. 2
19 initially includes all the territory contained in the following
20 area:

21 557.187 acres of land described below:

22 A DESCRIPTION OF 557.672 ACRES IN THE SANTIAGO DEL VALLE GRANT IN
23 TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 138.540 ACRE TRACT
24 DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC.,
25 DATED MARCH 2, 2007 AND RECORDED IN DOCUMENT NO. 2007038642 OF THE
26 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A
27 20.807 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA

1 ACQUISITION INC., DATED JANUARY 3, 2007 AND RECORDED IN DOCUMENT
2 NO. 2007003159 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
3 TEXAS, A PORTION OF AN 81.018 ACRE TRACT DESCRIBED IN A SPECIAL
4 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 12, 2006 AND
5 RECORDED IN DOCUMENT NO. 2006246454 OF THE OFFICIAL PUBLIC RECORDS
6 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 103.415 ACRE TRACT DESCRIBED
7 IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER
8 20, 2006 AND RECORDED IN DOCUMENT NO. 2006224021 OF THE OFFICIAL
9 PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 167.748 ACRE
10 TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION
11 INC., DATED DECEMBER 13, 2006 AND RECORDED IN DOCUMENT NO.
12 2006241307 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS,
13 A PORTION OF A 42.558 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY
14 DEED TO JONA ACQUISITION INC., DATED MAY 16, 2008 AND RECORDED IN
15 DOCUMENT NO. 2008083861 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS
16 COUNTY, TEXAS, A PORTION OF A 20.005 ACRE TRACT DESCRIBED IN A
17 WARRANTY DEED WITH VENDOR'S LIEN TO JOHN T. HALDENSTEIN AND JOSHUA
18 N. HALDENSTEIN, DATED DECEMBER 14, 2000 AND RECORDED IN DOCUMENT
19 NO. 2000203669 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY,
20 TEXAS, A PORTION OF A 198.302 ACRE TRACT DESCRIBED IN A GENERAL
21 WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 20, 2006 AND
22 RECORDED IN DOCUMENT NO. 2006244772 OF THE OFFICIAL PUBLIC RECORDS
23 OF TRAVIS COUNTY, TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED
24 IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN TO JONA ACQUISITION
25 INC., DATED JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190
26 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF
27 A 37.390 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA

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

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

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

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

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

25 3. With a curve to the left, having a radius of 2002.94
26 feet, a delta angle of 22°31'58", an arc length of 787.70
27 feet, and a chord which bears South 58°50'31" East, a distance

1 of 782.64 feet to a calculated point;

2 4. South 19°53'30" West, a distance of 342.26 feet to a
3 calculated point;

4 5. With a curve to the left, having a radius of 499.99
5 feet, a delta angle of 41°14'55", an arc length of 359.95
6 feet, and a chord which bears South 00°43'58" East, a distance
7 of 352.23 feet to a calculated point;

8 6. South 21°21'01" East, a distance of 1149.03 feet to a
9 calculated point;

10 7. With a curve to the right, having a radius of 800.00
11 feet, a delta angle of 04°05'43", an arc length of 57.18 feet,
12 and a chord which bears South 19°18'34" East, a distance of
13 57.17 feet to a calculated point;

14 8. South 27°06'32" West, a distance of 1006.99 feet to a
15 calculated point;

16 9. North 62°55'07" West, a distance of 393.93 feet to a
17 calculated point;

18 10. South 27°04'42" West, a distance of 1090.01 feet to
19 a calculated point;

20 11. South 62°55'07" East, a distance of 393.35 feet to a
21 calculated point;

22 12. South 27°05'07" West, a distance of 1284.12 feet to
23 a calculated point;

24 13. South 27°11'27" West, a distance of 450.14 feet to a
25 calculated point;

26 14. With a curve to the left, having a radius of 1399.96
27 feet, a delta angle of 31°05'54", an arc length of 759.86

1 feet, and a chord which bears North 77°33'02" West, a distance
2 of 750.56 feet to a calculated point;

3 15. South 86°54'01" West, a distance of 948.14 feet to a
4 calculated point;

5 16. With a curve to the right, having a radius of
6 1399.96 feet, a delta angle of 31°17'38", an arc length of
7 764.63 feet, and a chord which bears North 77°27'10" West, a
8 distance of 755.16 feet to a calculated point;

9 17. North 61°48'21" West, a distance of 1135.34 feet to
10 a calculated point;

11 18. North 28°11'39" East, a distance of 910.01 feet to a
12 calculated point;

13 19. With a curve to the right, having a radius of 431.98
14 feet, a delta angle of 53°14'32", an arc length of 401.42
15 feet, and a chord which bears North 58°50'30" East, a distance
16 of 387.13 feet to a calculated point;

17 20. North 16°01'51" West, a distance of 256.62 feet to a
18 calculated point;

19 21. With a curve to the left, having a radius of 606.85
20 feet, a delta angle of 50°15'23", an arc length of 532.29
21 feet, and a chord which bears North 37°39'34" West, a distance
22 of 515.39 feet to a calculated point;

23 22. North 62°55'18" West, a distance of 292.66 feet to a
24 calculated point;

25 23. With a curve to the right, having a radius of
26 1466.51 feet, a delta angle of 180°00'00", an arc length of
27 4607.17 feet, and a chord which bears North 27°04'42" East, a

1 distance of 2933.02 feet to a calculated point;

2 24. South 62°55'18" East, a distance of 292.66 feet to a
3 calculated point;

4 25. With a curve to the left, having a radius of 606.85
5 feet, a delta angle of 50°15'23", an arc length of 532.29
6 feet, and a chord which bears South 88°11'02" East, a distance
7 of 515.39 feet to a calculated point;

8 26. North 70°11'14" East, a distance of 260.49 feet to a
9 calculated point;

10 27. With a curve to the right, having a radius of 428.50
11 feet, a delta angle of 57°46'46", an arc length of 432.12
12 feet, and a chord which bears North 02°55'38" West, a distance
13 of 414.04 feet to a calculated point;

14 28. North 25°57'45" East, a distance of 891.49 feet to a
15 calculated point;

16 29. With a curve to the right, having a radius of 750.00
17 feet, a delta angle of 16°27'44", an arc length of 215.49
18 feet, and a chord which bears North 34°11'36" East, a distance
19 of 214.75 feet to a calculated point;

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

25 THENCE South 47°34'32" East, with said common line, a distance of
26 1475.59 feet to the POINT OF BEGINNING, containing 557.672 acres of
27 land, more or less.

1 SAVE AND EXCEPT 0.485 ACRES:
2 BEING ALL OF A 21,064 SQUARE FOOT TRACT DESCRIBED IN A WARRANTY DEED
3 AND ACCESS EASEMENT TO CREEDMOOR-MAHA WATER SUPPLY CORPORATION,
4 DATED MAY 24 1999 AND RECORDED IN DOCUMENT NO. 1999070566 OF THE
5 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY TEXAS; SAID 0.485 ACRE
6 TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS
7 FOLLOWS:
8 BEGINNING at a 1/2" rebar found for the south corner of said 21,064
9 square foot tract, same being an angle point in the southwest line
10 of said 232.233 acre tract, also being in the northeast line of said
11 37.390 acre tract;
12 THENCE North 62°15'58" West, with the southwest line of said 21,064
13 square foot tract, same being the northeast line of said 37.390 acre
14 tract, a distance of 84.16 feet to a 1/2" rebar with Chaparral cap
15 found for the west corner of said 21,064 square foot tract, same
16 being an angle point in the southwest line of said 232.233 acre
17 tract;
18 THENCE with the common line of said 21,064 square foot tract and
19 said 232.233 acre tract, the following three (3) courses and
20 distances:
21 1. North 27°03'32" East, a distance of 251.09 feet to a
22 1/2" rebar found;
23 2. South 62°00'51" East, a distance of 84.16 feet to a
24 1/2" rebar found;
25 3. South 27°03'32" West, a distance of 250.72 feet to
26 the POINT OF BEGINNING, containing 0.485 acres of land, more
27 or less.

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

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

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

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

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 23, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (Relating to the creation of the Pilot Knob Municipal Utility District No. 2; providing authority to impose a tax and issue bonds.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, SD, KKR, SZ, TP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (Relating to the creation of the Pilot Knob Municipal Utility District No. 2; providing authority to impose a tax and issue bonds.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, KKR, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 13, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (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.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, KKR, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

March 11, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (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.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, SZ, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (Relating to the creation of the Pilot Knob Municipal Utility District No. 2; providing authority to impose a tax and issue bonds.), **Committee Report 2nd House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

The bill creates Pilot Knob Municipal Utility District of No. 2 of Travis County (District).

1) Population – The very specific description of the proposed boundaries is in terminology which does not match Census geography, thus population can be estimated only for an area somewhat larger than the district will actually cover. Population in this larger area, of which this district will only be a part, could be as high as 2,013 based on the 2000 Census.

Population growth in the specific area since the 2000 census is unknown. However, a portion of the proposed district appears to lie within the CCN of Creedmoor-Maha Water Supply Corporation (WSC). In the 2011 Region K Water Plan, the Travis County portion of Creedmoor-Maha WSC is projected to grow from 4,962 in 2000 to 5,962 in 2010 and 7,301 in 2020.

2) Location – The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Official Public Records of Travis County, Texas, and metes and bounds. Due to the complexity of these boundaries for the various sub-areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 0.87 square miles in southeastern Travis County, just south of the city limits of Austin and north of Mustang Ridge. The proposed district is west of US Highway 183, near where it intersects Farm to Market Road 1625. The proposed district overlaps portions of a CCN held by Creedmoor-Maha WSC.

3) Comments on Powers/Duties Different from Similar Types of Districts - The bill specifies that the District may not hold an election to confirm the District or elect the five permanent directors until all municipalities in which the District is located consent to the creation. The bill also specifies that if the municipality in whose corporate limits or extraterritorial jurisdiction the District is located does not enter into an agreement required by the terms of the municipal ordinance or resolution consenting to the creation of the District before September 1, 2012, then the District is dissolved September 1, 2012. The bill specifies that the District is to be governed by a board of five elected directors. However, the bill stipulates that the ordinance or resolution consenting to the creation of the District may change this requirement from five elected directors to four elected directors and one director appointed by the governing body of the municipality.

The bill gives the District road powers. The bill specifies that the District may not exercise the power of eminent domain. The bill specifies that the District may continue to exist after annexation by the municipality if the terms of the District's limited existence are made part of a strategic partnership agreement under the Local Government Code.

4) Overlapping Services - The stated boundaries for the District form an acceptable closure. However, an area map containing at least two reference points (major road names, road intersections) and the proposed district's geographic location mapped within Travis County is needed to complete overlapping services check.

The District may overlap City of Austin (CCN Nos. 113221 and 20636); Garfield Water Supply Corporation (CCN No. 11244); Creedmor Maha Water Supply Corporation (CCN No. 11029); Southland Regional SVC Corp (CCN No. 20663) and Lower Colorado River Authority.

5) TCEQ Supervision - As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

6) Water Use - HB 1756 specifies that the “district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.”

Within Travis County, 7.7 percent of the total water use was groundwater (Trinity, Edwards BFZ, and other aquifers) in 2008. Ninety-three percent of the groundwater pumping was for municipal use. The water source that the district might pursue is unknown.

Source Agencies: 580 Water Development Board

LBB Staff: JOB, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

82ND LEGISLATIVE REGULAR SESSION

March 14, 2011

TO: Honorable Allan Ritter, Chair, House Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB1756 by Rodriguez, Eddie (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.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

The bill creates Pilot Knob Municipal Utility District of No. 2 of Travis County (District).

1) Population – The very specific description of the proposed boundaries is in terminology which does not match Census geography, thus population can be estimated only for an area somewhat larger than the district will actually cover. Population in this larger area, of which this district will only be a part, could be as high as 2,013 based on the 2000 Census.

Population growth in the specific area since the 2000 census is unknown. However, a portion of the proposed district appears to lie within the CCN of Creedmoor-Maha Water Supply Corporation (WSC). In the 2011 Region K Water Plan, the Travis County portion of Creedmoor-Maha WSC is projected to grow from 4,962 in 2000 to 5,962 in 2010 and 7,301 in 2020.

2) Location – The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Official Public Records of Travis County, Texas, and metes and bounds. Due to the complexity of these boundaries for the various sub-areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 0.87 square miles in southeastern Travis County, just south of the city limits of Austin and north of Mustang Ridge. The proposed district is west of US Highway 183, near where it intersects Farm to Market Road 1625. The proposed district overlaps portions of a CCN held by Creedmoor-Maha WSC.

3) Comments on Powers/Duties Different from Similar Types of Districts - The bill creates Pilot Knob Municipal Utility District No. 2 (District). The bill specifies that the District may not hold a confirmation election until all municipalities of which the District is located consent to the creation. Current statutes require directors of districts to meet eligibility requirements. However, the bill specifies that on or after the effective date of the bill, the owner or owners of a majority of assessed valuation of the real property within the District may submit a petition to the Commission for the appointment of the five temporary directors for the District and that the Commission shall appoint the five persons named in the petition, regardless of eligibility. The bill gives the District road powers. The bill does not permit the District to exercise the power of eminent domain outside its boundary to acquire a site or easement for a road project or a recreational facility. The bill specifies that a two-thirds majority vote required to finance road projects payable from ad valorem taxes.

4) Overlapping Services - The stated boundaries for the District form an acceptable closure. However, an area map containing at least two reference points (major road names, road intersections) and the proposed district's geographic location mapped within Travis County is needed to complete overlapping services check. The District may overlap City of Austin (CCN Nos. 113221 and 20636); Garfield WSC (CCN No. 11244); Creedmor Maha WSC (CCN No. 11029); Southland Regional SVC Corp (CCN No. 20663) and Lower Colorado River Authority.

5) TCEQ Supervision - As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

6) Water Use - HB 1756 specifies that the “district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.”

Within Travis County, 7.7 percent of the total water use was groundwater (Trinity, Edwards BFZ, and other aquifers) in 2008. Ninety-three percent of the groundwater pumping was for municipal use. The water source that the district might pursue is unknown.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: JOB, SZ