

By: Isaac

H.B. No. 3937

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the LaSalle Municipal Utility District No. 2; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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 8473 to read as follows:

CHAPTER 8473. LASALLE MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8473.001. 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 LaSalle Municipal Utility District No. 2.

Sec. 8473.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8473.003. 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.

1       Sec. 8473.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 8473.003  
3 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 8473.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
8 The district is created to serve a public purpose and benefit.

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

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

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

16       Sec. 8473.006. INITIAL DISTRICT TERRITORY. (a) The  
17 district is initially composed of the territory described by  
18 Section 2 of the Act enacting this chapter.

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

23           (1) organization, existence, or validity;

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

27           (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 8473.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 8473.052, directors serve  
6 staggered four-year terms.

7           Sec. 8473.052. TEMPORARY DIRECTORS. (a) On or after the  
8 effective date of the Act enacting this chapter, the owner or owners  
9 of a majority of the assessed value of the real property in the  
10 district may submit a petition to the commission requesting that  
11 the commission appoint as temporary directors the five persons  
12 named in the petition. The commission shall appoint as temporary  
13 directors the five persons named in the petition.

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

15                   (1) the date permanent directors are elected under  
16 Section 8473.003; or

17                   (2) the fourth anniversary of the effective date of  
18 the Act enacting this chapter.

19           (c) If permanent directors have not been elected under  
20 Section 8473.003 and the terms of the temporary directors have  
21 expired, successor temporary directors shall be appointed or  
22 reappointed as provided by Subsection (d) to serve terms that  
23 expire on the earlier of:

24                   (1) the date permanent directors are elected under  
25 Section 8473.003; or

26                   (2) the fourth anniversary of the date of the  
27 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                   SUBCHAPTER C. POWERS AND DUTIES

9       Sec. 8473.101. GENERAL POWERS AND DUTIES. The district has  
10 the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12       Sec. 8473.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17       Sec. 8473.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, and Section 53.029(c), Water  
19 Code, the district may design, acquire, construct, finance, issue  
20 bonds for, improve, operate, maintain, and convey to this state, a  
21 county, or a municipality for operation and maintenance  
22 macadamized, graveled, or paved roads, or improvements, including  
23 storm drainage, in aid of those roads.

24       Sec. 8473.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
25 project must meet all applicable construction standards, zoning and  
26 subdivision requirements, and regulations of each municipality in  
27 whose corporate limits or extraterritorial jurisdiction the road

1 project is located.

2 (b) If a road project is not located in the corporate limits  
3 or extraterritorial jurisdiction of a municipality, the road  
4 project must meet all applicable construction standards,  
5 subdivision requirements, and regulations of each county in which  
6 the road project is located.

7 (c) If the state will maintain and operate the road, the  
8 Texas Transportation Commission must approve the plans and  
9 specifications of the road project.

10 Sec. 8473.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
11 OR RESOLUTION. The district shall comply with all applicable  
12 requirements of any ordinance or resolution that is adopted under  
13 Section 54.016 or 54.0165, Water Code, and that consents to the  
14 creation of the district or to the inclusion of land in the  
15 district.

16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

17 Sec. 8473.151. 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 8473.153.

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. 8473.152. OPERATION AND MAINTENANCE TAX. (a) If  
4 authorized at an election held under Section 8473.151, 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 Sec. 8473.153. CONTRACT TAXES. (a) In accordance with  
10 Section 49.108, Water Code, the district may impose a tax other than  
11 an operation and maintenance tax and use the revenue derived from  
12 the tax to make payments under a contract after the provisions of  
13 the contract have been approved by a majority of the district voters  
14 voting at an election held for that purpose.

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

18 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

19 Sec. 8473.201. AUTHORITY TO ISSUE BONDS AND OTHER  
20 OBLIGATIONS. The district may issue bonds or other obligations  
21 payable wholly or partly from ad valorem taxes, impact fees,  
22 revenue, contract payments, grants, or other district money, or any  
23 combination of those sources, to pay for any authorized district  
24 purpose.

25 Sec. 8473.202. TAXES FOR BONDS. At the time the district  
26 issues bonds payable wholly or partly from ad valorem taxes, the  
27 board shall provide for the annual imposition of a continuing

1 direct ad valorem tax, without limit as to rate or amount, while all  
2 or part of the bonds are outstanding as required and in the manner  
3 provided by Sections 54.601 and 54.602, Water Code.

4 Sec. 8473.203. BONDS FOR ROAD PROJECTS. At the time of  
5 issuance, the total principal amount of bonds or other obligations  
6 issued or incurred to finance road projects and payable from ad  
7 valorem taxes may not exceed one-fourth of the assessed value of the  
8 real property in the district.

9 SECTION 2. The LaSalle Municipal Utility District No. 2  
10 initially includes all the territory contained in the following  
11 area:

12 FIELD NOTE DESCRIPTION OF 305.41 ACRES OF LAND OUT OF THE WILLIAM  
13 HEMPHILL SURVEY ABSTRACT No. 221 IN HAYS COUNTY, TEXAS, BEING A  
14 PORTION OF THAT CERTAIN (765.035 ACRE) TRACT OF LAND AS CONVEYED TO  
15 LASALLE HOLDINGS, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME  
16 2909 PAGE 684 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS,  
17 AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS  
18 FOLLOWS:

19 BEGINNING at a 1/2" iron rod found in the Southwest line of Hays  
20 County Road No. 158 and for an angle corner in the Northeast line of  
21 that certain (765.035 acre) tract of land as conveyed to LaSalle  
22 Holdings, Ltd. by Special Warranty Deed recorded in Volume 2909  
23 Page 684 of the Official Public Records of Hays County, Texas, and  
24 being the most Northerly corner and PLACE OF BEGINNING of the herein  
25 described tract of land, and from which a capped iron rod found  
26 (marked "Byrn") for an angle corner in the Northeast line of said  
27 LaSalle Holdings (765.035 acre) tract bears N 44 deg. 12' 41" E 9.20

1 ft.;

2 THENCE with the Southwest line of Hays County Road No. 158 and with  
3 the Northeast line of said LaSalle Holdings (765.035 acre) tract,  
4 the following four (4) courses;

- 5 1) S 45 deg. 36' 48" E 2564.23 ft. to a 1/2" iron rod found;
- 6 2) S 28 deg. 19' 21" E 180.67 ft. to a 1/2" iron rod found;
- 7 3) S 45 deg. 36' 07" E 787.93 ft. to a 1/2" iron rod found;
- 8 4) S 00 deg. 52' 46" E 57.01 ft. to a 1/2" iron rod found for  
9 an Easterly angle corner of said

10 LaSalle Holdings (765.035 acre) tract and being an  
11 Easterly angle corner of this tract;

12 THENCE with the Northwest line of Hays County Road No. 158 and with  
13 the Southeast line of said LaSalle Holdings (765.035 acre) tract,  
14 the following two (2) courses;

- 15 1) S 43 deg. 23' 26" W 2355.38 ft. to a 1/2" iron rod found;
- 16 2) S 43 deg. 23' 01" W 1294.66 ft. to a point for the most  
17 Southerly corner of this tract and from which a 1/2" iron rod found  
18 in the Northwest line of Hays County Road No. 158 and in the  
19 Southeast line of said LaSalle Holdings (765.035 acre) tract bears  
20 S 43 deg. 23' 01" W 302.20 ft.;

21 THENCE leaving the Northwest line of Hays County Road No. 158 and  
22 crossing the interior of said LaSalle Holdings (765.035 acre) tract  
23 with the Southwest line of this tract, N 45 deg. 39' 03" W 3568.62  
24 ft. to a point in a Northwesterly line of said LaSalle Holdings  
25 (765.035 acre) tract for the most Westerly Northwest corner of this  
26 tract;

27 THENCE with a Northwesterly line of said LaSalle Holdings (765.035



1 acre) tract, N 43 deg. 28' 18" E 700.00 ft. to a capped iron rod  
2 found (marked "Byrn") for an angle corner of said LaSalle Holdings  
3 (765.035 acre) tract and being an angle corner of this tract, and  
4 from which a 1" iron pipe found for an angle corner in a  
5 Southwesterly line of said LaSalle Holdings (765.035 acre) tract  
6 bears N 45 deg. 13' 18" W 487.22 ft. ;  
7 THENCE re-crossing the interior of said LaSalle Holdings (765.035  
8 acre) tract with the Northwest line of this tract, N 43 deg. 27' 55"  
9 E 3046.28 ft. to the PLACE OF BEGINNING, containing 305.41 acres of  
10 land.

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

18 (b) The governor, one of the required recipients, has  
19 submitted the notice and Act to the Texas Commission on  
20 Environmental Quality.

21 (c) The Texas Commission on Environmental Quality has filed  
22 its recommendations relating to this Act with the governor, the  
23 lieutenant governor, and the speaker of the house of  
24 representatives within the required time.

25 (d) All requirements of the constitution and laws of this  
26 state and the rules and procedures of the legislature with respect  
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2 SECTION 4. (a) If this Act does not receive a two-thirds  
3 vote of all the members elected to each house, Subchapter C, Chapter  
4 8473, Special District Local Laws Code, as added by Section 1 of  
5 this Act, is amended by adding Section 8473.106 to read as follows:

6 Sec. 8473.106. NO EMINENT DOMAIN POWER. The district may  
7 not exercise the power of eminent domain.

8 (b) This section is not intended to be an expression of a  
9 legislative interpretation of the requirements of Section 17(c),  
10 Article I, Texas Constitution.

11 SECTION 5. This Act takes effect immediately if it receives  
12 a vote of two-thirds of all the members elected to each house, as  
13 provided by Section 39, Article III, Texas Constitution. If this  
14 Act does not receive the vote necessary for immediate effect, this  
15 Act takes effect September 1, 2013.