

By: S. Davis of Harris

H.B. No. 3943

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the Harris County Municipal Utility  
3 District No. 537; granting a limited power of eminent domain;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, or taxes.

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

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
8 Code, is amended by adding Chapter 8488 to read as follows:

9 CHAPTER 8488. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8488.001. DEFINITIONS. In this chapter:

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

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

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

16 (4) "District" means the Harris County Municipal  
17 Utility District No. 537.

18 Sec. 8488.002. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 8488.003. CONFIRMATION AND DIRECTORS' ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.

1       Sec. 8488.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 8488.003  
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. 8488.005. 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, or improvement of  
14 macadamized, graveled, or paved roads described by Section 54.234,  
15 Water Code, or improvements, including storm drainage, in aid of  
16 those roads.

17       Sec. 8488.006. INITIAL DISTRICT TERRITORY. (a) The  
18 district is initially composed of the territory described by  
19 Section 2 of the Act enacting this chapter.

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

24       (1) organization, existence, or validity;

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

1           (3) right to impose a tax; or

2           (4) legality or operation.

3                   SUBCHAPTER B. BOARD OF DIRECTORS

4           Sec. 8488.051. GOVERNING BODY; TERMS. (a) The district is  
5 governed by a board of five elected directors.

6           (b) Except as provided by Section 8488.052, directors serve  
7 staggered four-year terms.

8           Sec. 8488.052. TEMPORARY DIRECTORS. (a) The temporary  
9 board consists of:

10           (1) Michael Keegan;

11           (2) Russ Bynum;

12           (3) Denise Traylor;

13           (4) Darryl Robinson; and

14           (5) Deborah Yahner.

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

16           (1) the date permanent directors are elected under  
17 Section 8488.003; or

18           (2) September 1, 2017.

19           (c) If permanent directors have not been elected under  
20 Section 8488.003 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 8488.003; 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. 8488.101. 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. 8488.102. 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. 8488.103. AUTHORITY FOR ROAD PROJECTS. (a) Under  
18 Section 52, Article III, Texas Constitution, the district may  
19 design, acquire, construct, finance, issue bonds for, improve, and  
20 convey to this state, a county, or a municipality for operation and  
21 maintenance macadamized, graveled, or paved roads described by  
22 Section 54.234, Water Code, or improvements, including storm  
23 drainage, in aid of those roads.

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

27       Sec. 8488.104. APPROVAL OF ROAD PROJECT. (a) The district

1 may not undertake a road project authorized by Section 8488.103  
2 unless:

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

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

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

14 Sec. 8488.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
15 OR RESOLUTION. The district shall comply with all applicable  
16 requirements of any ordinance or resolution that is adopted under  
17 Section 54.016 or 54.0165, Water Code, and that consents to the  
18 creation of the district or to the inclusion of land in the  
19 district.

20 Sec. 8488.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
21 district may not exercise the power of eminent domain outside the  
22 district to acquire a site or easement for:

23 (1) a road project authorized by Section 8488.103; or

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

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8488.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The

1 district may issue, without an election, bonds and other  
2 obligations secured by:

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

4 (2) contract payments described by Section 8488.153.

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

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

13 Sec. 8488.152. OPERATION AND MAINTENANCE TAX. (a) If  
14 authorized at an election held under Section 8488.151, the district  
15 may impose an operation and maintenance tax on taxable property in  
16 the district in accordance with Section 49.107, Water Code.

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

19 Sec. 8488.153. CONTRACT TAXES. (a) In accordance with  
20 Section 49.108, Water Code, the district may impose a tax other than  
21 an operation and maintenance tax and use the revenue derived from  
22 the tax to make payments under a contract after the provisions of  
23 the contract have been approved by a majority of the district voters  
24 voting at an election held for that purpose.

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

1                   SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

2                   Sec. 8488.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3 OBLIGATIONS. The district may issue bonds or other obligations  
4 payable wholly or partly from ad valorem taxes, impact fees,  
5 revenue, contract payments, grants, or other district money, or any  
6 combination of those sources, to pay for any authorized district  
7 purpose.

8                   Sec. 8488.202. TAXES FOR BONDS. At the time the district  
9 issues bonds payable wholly or partly from ad valorem taxes, the  
10 board shall provide for the annual imposition of a continuing  
11 direct ad valorem tax, without limit as to rate or amount, while all  
12 or part of the bonds are outstanding as required and in the manner  
13 provided by Sections 54.601 and 54.602, Water Code.

14                   Sec. 8488.203. BONDS FOR ROAD PROJECTS. At the time of  
15 issuance, the total principal amount of bonds or other obligations  
16 issued or incurred to finance road projects and payable from ad  
17 valorem taxes may not exceed one-fourth of the assessed value of the  
18 real property in the district.

19                   SECTION 2. The Harris County Municipal Utility District No.  
20 537 initially includes all the territory contained in the following  
21 area:

22 BEGINNING at a point in the North right-of-way line of Old Katy Road  
23 (80 feet wide), said point marks the Southwest corner of that  
24 certain called 0.6339 acre tract recorded under Harris County  
25 Clerk's File No. 20100020050 and the herein described tract;

26 THENCE, North 01°14'41" West, at 100.00 feet pass the Southeast  
27 corner of Unrestricted Reserve "A", Resource Centre, LTD, Subd., as

1 recorded in Vol. 314, Pg. 111 H.C.M.R. and continuing a total  
2 distance of 1280.76 feet to a point in the South line of a tract of  
3 land conveyed to Southern Pacific Railroad Co., by deed recorded  
4 under H.C.C.F. No. B960751, for the Northeast corner of said  
5 Reserve "A", said point also marks the Northwest corner of the  
6 herein described tract;

7 THENCE, North  $88^{\circ}01'36''$  East, along the South line of said Southern  
8 Pacific Railroad Co. tract, a distance of 551.31 feet to an angle  
9 point;

10 THENCE, North  $87^{\circ}59'38''$  East, continuing along the South line of  
11 said Southern Pacific Railroad Co. tract, a distance of 312.54 feet  
12 to an angle point;

13 THENCE, North  $88^{\circ}17'24''$  East, a distance of 68.60 feet to a point in  
14 the Southwest right-of-way line of Southern Pacific Transportation  
15 Co. Railroad (100 feet wide), for the Northeast corner of the herein  
16 described tract;

17 THENCE, South  $51^{\circ}45'21''$  East, along the Southwest right-of-way line  
18 of said Southern Pacific R.R., a distance of 857.52 feet to a point  
19 for the Point of Curvature of a curve to the Right;

20 THENCE, in a Southeasterly direction, continuing along the  
21 Southwest line of said Southern Pacific R.R., with said curve to the  
22 Right having a radius of 905.00 feet, a central angle of  $46^{\circ}24'58''$ ,  
23 an arc length of 733.15 and a chord bearing and distance of S  
24  $27^{\circ}13'25''$  E, 713.27 feet to a point for the Point of Tangency;

25 THENCE, South  $01^{\circ}14'53''$  East, along the West line of said Southern  
26 Pacific R.R., a distance of 50.00 feet to a point for the Easterly  
27 most Southeast corner of the herein described tract;



1 THENCE, South 88°45'07" West, a distance of 198.86 feet to a point  
2 for an interior corner;

3 THENCE, South 01°14'53" East, a distance of 50.00 feet to a point in  
4 the North right-of-way line of said Old Katy Road for the Southeast  
5 corner of that certain called 0.5825 acre tract (Tr. 2, Pt. 6)  
6 recorded under H.C.C.F. No. 20100020050, said point also marks the  
7 Southeast corner of the herein described tract;

8 THENCE, South 88°45'07" West, along the North right-of-way line of  
9 Old Katy Road, a distance of 1714.87 feet to the POINT OF BEGINNING  
10 and containing 46.750 acres of land, more or less.

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) Section 8488.106, Special District Local  
3 Laws Code, as added by Section 1 of this Act, takes effect only if  
4 this Act receives a two-thirds vote of all the members elected to  
5 each house.

6 (b) If this Act does not receive a two-thirds vote of all the  
7 members elected to each house, Subchapter C, Chapter 8488, Special  
8 District Local Laws Code, as added by Section 1 of this Act, is  
9 amended by adding Section 8488.106 to read as follows:

10 Sec. 8488.106. NO EMINENT DOMAIN POWER. The district may  
11 not exercise the power of eminent domain.

12 (c) This section is not intended to be an expression of a  
13 legislative interpretation of the requirements of Section 17(c),  
14 Article I, Texas Constitution.

15 SECTION 5. This Act takes effect September 1, 2013.