

1-1 By: S. Davis of Harris H.B. No. 3943  
 1-2 (Senate Sponsor - Whitmire)  
 1-3 (In the Senate - Received from the House May 14, 2013;  
 1-4 May 14, 2013, read first time and referred to Committee on  
 1-5 Intergovernmental Relations; May 17, 2013, reported favorably by  
 1-6 the following vote: Yeas 3, Nays 0; May 17, 2013, sent to  
 1-7 printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11			X	
1-12	X			
1-13			X	
1-14	X			

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to the creation of the Harris County Municipal Utility  
 1-18 District No. 537; granting a limited power of eminent domain;  
 1-19 providing authority to issue bonds; providing authority to impose  
 1-20 assessments, fees, or taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
 1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-23 Code, is amended by adding Chapter 8488 to read as follows:

1-24 CHAPTER 8488. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 537

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8488.001. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "Commission" means the Texas Commission on  
 1-29 Environmental Quality.

1-30 (3) "Director" means a board member.

1-31 (4) "District" means the Harris County Municipal  
 1-32 Utility District No. 537.

1-33 Sec. 8488.002. NATURE OF DISTRICT. The district is a  
 1-34 municipal utility district created under Section 59, Article XVI,  
 1-35 Texas Constitution.

1-36 Sec. 8488.003. CONFIRMATION AND DIRECTORS' ELECTION  
 1-37 REQUIRED. The temporary directors shall hold an election to  
 1-38 confirm the creation of the district and to elect five permanent  
 1-39 directors as provided by Section 49.102, Water Code.

1-40 Sec. 8488.004. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-41 temporary directors may not hold an election under Section 8488.003  
 1-42 until each municipality in whose corporate limits or  
 1-43 extraterritorial jurisdiction the district is located has  
 1-44 consented by ordinance or resolution to the creation of the  
 1-45 district and to the inclusion of land in the district.

1-46 Sec. 8488.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
 1-47 The district is created to serve a public purpose and benefit.

1-48 (b) The district is created to accomplish the purposes of:

1-49 (1) a municipal utility district as provided by  
 1-50 general law and Section 59, Article XVI, Texas Constitution; and

1-51 (2) Section 52, Article III, Texas Constitution, that  
 1-52 relate to the construction, acquisition, or improvement of  
 1-53 macadamized, graveled, or paved roads described by Section 54.234,  
 1-54 Water Code, or improvements, including storm drainage, in aid of  
 1-55 those roads.

1-56 Sec. 8488.006. INITIAL DISTRICT TERRITORY. (a) The  
 1-57 district is initially composed of the territory described by  
 1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of  
 1-60 the Act enacting this chapter form a closure. A mistake made in the  
 1-61 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:  
 2-2 (1) organization, existence, or validity;  
 2-3 (2) right to issue any type of bond for the purposes  
 2-4 for which the district is created or to pay the principal of and  
 2-5 interest on a bond;  
 2-6 (3) right to impose a tax; or  
 2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 8488.051. GOVERNING BODY; TERMS. (a) The district is  
 2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 8488.052, directors serve  
 2-12 staggered four-year terms.

2-13 Sec. 8488.052. TEMPORARY DIRECTORS. (a) The temporary  
 2-14 board consists of:

- 2-15 (1) Michael Keegan;
- 2-16 (2) Russ Bynum;
- 2-17 (3) Denise Traylor;
- 2-18 (4) Darryl Robinson; and
- 2-19 (5) Deborah Yahner.

2-20 (b) Temporary directors serve until the earlier of:

- 2-21 (1) the date permanent directors are elected under  
 2-22 Section 8488.003; or
- 2-23 (2) September 1, 2017.

2-24 (c) If permanent directors have not been elected under  
 2-25 Section 8488.003 and the terms of the temporary directors have  
 2-26 expired, successor temporary directors shall be appointed or  
 2-27 reappointed as provided by Subsection (d) to serve terms that  
 2-28 expire on the earlier of:

- 2-29 (1) the date permanent directors are elected under  
 2-30 Section 8488.003; or
- 2-31 (2) the fourth anniversary of the date of the  
 2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a  
 2-34 majority of the assessed value of the real property in the district  
 2-35 may submit a petition to the commission requesting that the  
 2-36 commission appoint as successor temporary directors the five  
 2-37 persons named in the petition. The commission shall appoint as  
 2-38 successor temporary directors the five persons named in the  
 2-39 petition.

2-40 SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 8488.101. GENERAL POWERS AND DUTIES. The district has  
 2-42 the powers and duties necessary to accomplish the purposes for  
 2-43 which the district is created.

2-44 Sec. 8488.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-45 DUTIES. The district has the powers and duties provided by the  
 2-46 general law of this state, including Chapters 49 and 54, Water Code,  
 2-47 applicable to municipal utility districts created under Section 59,  
 2-48 Article XVI, Texas Constitution.

2-49 Sec. 8488.103. AUTHORITY FOR ROAD PROJECTS. (a) Under  
 2-50 Section 52, Article III, Texas Constitution, the district may  
 2-51 design, acquire, construct, finance, issue bonds for, improve, and  
 2-52 convey to this state, a county, or a municipality for operation and  
 2-53 maintenance macadamized, graveled, or paved roads described by  
 2-54 Section 54.234, Water Code, or improvements, including storm  
 2-55 drainage, in aid of those roads.

2-56 (b) The district may exercise the powers provided by this  
 2-57 section without submitting a petition to or obtaining approval from  
 2-58 the commission as required by Section 54.234, Water Code.

2-59 Sec. 8488.104. APPROVAL OF ROAD PROJECT. (a) The district  
 2-60 may not undertake a road project authorized by Section 8488.103  
 2-61 unless:

2-62 (1) each municipality or county that will operate and  
 2-63 maintain the road has approved the plans and specifications of the  
 2-64 road project, if a municipality or county will operate and maintain  
 2-65 the road; or

2-66 (2) the Texas Transportation Commission has approved  
 2-67 the plans and specifications of the road project, if the state will  
 2-68 operate and maintain the road.

2-69 (b) Except as provided by Subsection (a), the district is

3-1 not required to obtain approval from the Texas Transportation  
 3-2 Commission to design, acquire, construct, finance, issue bonds for,  
 3-3 improve, or convey a road project.

3-4 Sec. 8488.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
 3-5 OR RESOLUTION. The district shall comply with all applicable  
 3-6 requirements of any ordinance or resolution that is adopted under  
 3-7 Section 54.016 or 54.0165, Water Code, and that consents to the  
 3-8 creation of the district or to the inclusion of land in the  
 3-9 district.

3-10 Sec. 8488.106. LIMITATION ON USE OF EMINENT DOMAIN. The  
 3-11 district may not exercise the power of eminent domain outside the  
 3-12 district to acquire a site or easement for:

3-13 (1) a road project authorized by Section 8488.103; or  
 3-14 (2) a recreational facility as defined by Section  
 3-15 49.462, Water Code.

3-16 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-17 Sec. 8488.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
 3-18 district may issue, without an election, bonds and other  
 3-19 obligations secured by:

3-20 (1) revenue other than ad valorem taxes; or  
 3-21 (2) contract payments described by Section 8488.153.

3-22 (b) The district must hold an election in the manner  
 3-23 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-24 before the district may impose an ad valorem tax or issue bonds  
 3-25 payable from ad valorem taxes.

3-26 (c) The district may not issue bonds payable from ad valorem  
 3-27 taxes to finance a road project unless the issuance is approved by a  
 3-28 vote of a two-thirds majority of the district voters voting at an  
 3-29 election held for that purpose.

3-30 Sec. 8488.152. OPERATION AND MAINTENANCE TAX. (a) If  
 3-31 authorized at an election held under Section 8488.151, the district  
 3-32 may impose an operation and maintenance tax on taxable property in  
 3-33 the district in accordance with Section 49.107, Water Code.

3-34 (b) The board shall determine the tax rate. The rate may not  
 3-35 exceed the rate approved at the election.

3-36 Sec. 8488.153. CONTRACT TAXES. (a) In accordance with  
 3-37 Section 49.108, Water Code, the district may impose a tax other than  
 3-38 an operation and maintenance tax and use the revenue derived from  
 3-39 the tax to make payments under a contract after the provisions of  
 3-40 the contract have been approved by a majority of the district voters  
 3-41 voting at an election held for that purpose.

3-42 (b) A contract approved by the district voters may contain a  
 3-43 provision stating that the contract may be modified or amended by  
 3-44 the board without further voter approval.

3-45 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-46 Sec. 8488.201. AUTHORITY TO ISSUE BONDS AND OTHER  
 3-47 OBLIGATIONS. The district may issue bonds or other obligations  
 3-48 payable wholly or partly from ad valorem taxes, impact fees,  
 3-49 revenue, contract payments, grants, or other district money, or any  
 3-50 combination of those sources, to pay for any authorized district  
 3-51 purpose.

3-52 Sec. 8488.202. TAXES FOR BONDS. At the time the district  
 3-53 issues bonds payable wholly or partly from ad valorem taxes, the  
 3-54 board shall provide for the annual imposition of a continuing  
 3-55 direct ad valorem tax, without limit as to rate or amount, while all  
 3-56 or part of the bonds are outstanding as required and in the manner  
 3-57 provided by Sections 54.601 and 54.602, Water Code.

3-58 Sec. 8488.203. BONDS FOR ROAD PROJECTS. At the time of  
 3-59 issuance, the total principal amount of bonds or other obligations  
 3-60 issued or incurred to finance road projects and payable from ad  
 3-61 valorem taxes may not exceed one-fourth of the assessed value of the  
 3-62 real property in the district.

3-63 SECTION 2. The Harris County Municipal Utility District No.  
 3-64 537 initially includes all the territory contained in the following  
 3-65 area:

3-66 BEGINNING at a point in the North right-of-way line of Old Katy Road  
 3-67 (80 feet wide), said point marks the Southwest corner of that  
 3-68 certain called 0.6339 acre tract recorded under Harris County  
 3-69 Clerk's File No. 20100020050 and the herein described tract;

4-1 THENCE, North 01°14'41" West, at 100.00 feet pass the Southeast  
4-2 corner of Unrestricted Reserve "A", Resource Centre, LTD, Subd., as  
4-3 recorded in Vol. 314, Pg. 111 H.C.M.R. and continuing a total  
4-4 distance of 1280.76 feet to a point in the South line of a tract of  
4-5 land conveyed to Southern Pacific Railroad Co., by deed recorded  
4-6 under H.C.C.F. No. B960751, for the Northeast corner of said  
4-7 Reserve "A", said point also marks the Northwest corner of the  
4-8 herein described tract;

4-9 THENCE, North 88°01'36" East, along the South line of said Southern  
4-10 Pacific Railroad Co. tract, a distance of 551.31 feet to an angle  
4-11 point;

4-12 THENCE, North 87°59'38" East, continuing along the South line of  
4-13 said Southern Pacific Railroad Co. tract, a distance of 312.54 feet  
4-14 to an angle point;

4-15 THENCE, North 88°17'24" East, a distance of 68.60 feet to a point in  
4-16 the Southwest right-of-way line of Southern Pacific Transportation  
4-17 Co. Railroad (100 feet wide), for the Northeast corner of the herein  
4-18 described tract;

4-19 THENCE, South 51°45'21" East, along the Southwest right-of-way line  
4-20 of said Southern Pacific R.R., a distance of 857.52 feet to a point  
4-21 for the Point of Curvature of a curve to the Right;

4-22 THENCE, in a Southeasterly direction, continuing along the  
4-23 Southwest line of said Southern Pacific R.R., with said curve to the  
4-24 Right having a radius of 905.00 feet, a central angle of 46°24'58",  
4-25 an arc length of 733.15 and a chord bearing and distance of S  
4-26 27°13'25" E, 713.27 feet to a point for the Point of Tangency;

4-27 THENCE, South 01°14'53" East, along the West line of said Southern  
4-28 Pacific R.R., a distance of 50.00 feet to a point for the Easterly  
4-29 most Southeast corner of the herein described tract;

4-30 THENCE, South 88°45'07" West, a distance of 198.86 feet to a point  
4-31 for an interior corner;

4-32 THENCE, South 01°14'53" East, a distance of 50.00 feet to a point in  
4-33 the North right-of-way line of said Old Katy Road for the Southeast  
4-34 corner of that certain called 0.5825 acre tract (Tr. 2, Pt. 6)  
4-35 recorded under H.C.C.F. No. 20100020050, said point also marks the  
4-36 Southeast corner of the herein described tract;

4-37 THENCE, South 88°45'07" West, along the North right-of-way line of  
4-38 Old Katy Road, a distance of 1714.87 feet to the POINT OF BEGINNING  
4-39 and containing 46.750 acres of land, more or less.

4-40 SECTION 3. (a) The legal notice of the intention to  
4-41 introduce this Act, setting forth the general substance of this  
4-42 Act, has been published as provided by law, and the notice and a  
4-43 copy of this Act have been furnished to all persons, agencies,  
4-44 officials, or entities to which they are required to be furnished  
4-45 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4-46 Government Code.

4-47 (b) The governor, one of the required recipients, has  
4-48 submitted the notice and Act to the Texas Commission on  
4-49 Environmental Quality.

4-50 (c) The Texas Commission on Environmental Quality has filed  
4-51 its recommendations relating to this Act with the governor, the  
4-52 lieutenant governor, and the speaker of the house of  
4-53 representatives within the required time.

4-54 (d) All requirements of the constitution and laws of this  
4-55 state and the rules and procedures of the legislature with respect  
4-56 to the notice, introduction, and passage of this Act are fulfilled  
4-57 and accomplished.

4-58 SECTION 4. (a) Section 8488.106, Special District Local  
4-59 Laws Code, as added by Section 1 of this Act, takes effect only if  
4-60 this Act receives a two-thirds vote of all the members elected to  
4-61 each house.

4-62 (b) If this Act does not receive a two-thirds vote of all the  
4-63 members elected to each house, Subchapter C, Chapter 8488, Special  
4-64 District Local Laws Code, as added by Section 1 of this Act, is  
4-65 amended by adding Section 8488.106 to read as follows:

4-66 Sec. 8488.106. NO EMINENT DOMAIN POWER. The district may  
4-67 not exercise the power of eminent domain.

4-68 (c) This section is not intended to be an expression of a  
4-69 legislative interpretation of the requirements of Section 17(c),

5-1 Article I, Texas Constitution.

5-2 SECTION 5. This Act takes effect September 1, 2013.

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