

1 AN ACT

2 relating to the creation of the Harris County Municipal Utility  
3 District No. 543; granting a limited power of eminent domain;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, and 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 7933 to read as follows:

9 CHAPTER 7933. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 543

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7933.001. 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. 543.

18 Sec. 7933.002. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 7933.003. 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. 7933.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 7933.003  
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. 7933.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

8       (a) 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. 7933.006. 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. 7933.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 7933.052, directors serve  
6 staggered four-year terms.

7           Sec. 7933.052. TEMPORARY DIRECTORS. (a) The temporary  
8 board consists of:

9                   (1) Rose Montalbano;

10                  (2) Calvin Browne;

11                  (3) Ryan Quinn;

12                  (4) Tamara Webb; and

13                  (5) Stephanie Bowden.

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

15                   (1) the date permanent directors are elected under  
16 Section 7933.003; 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 7933.003 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 7933.003; 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. 7933.101. 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. 7933.102. 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. 7933.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

23 Sec. 7933.104. ROAD STANDARDS AND REQUIREMENTS. (a) A  
24 road project must meet all applicable construction standards,  
25 zoning and subdivision requirements, and regulations of each  
26 municipality in whose corporate limits or extraterritorial  
27 jurisdiction the road project is located.

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

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

9       Sec. 7933.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
10 OR RESOLUTION. The district shall comply with all applicable  
11 requirements of any ordinance or resolution that is adopted under  
12 Section 54.016 or 54.0165, Water Code, and that consents to the  
13 creation of the district or to the inclusion of land in the  
14 district.

15               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16       Sec. 7933.151. ELECTIONS REGARDING TAXES OR BONDS.

17 (a) The district may issue, without an election, bonds and other  
18 obligations secured by:

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

20               (2) contract payments described by Section 7933.153.

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

25       (c) The district may not issue bonds payable from ad valorem  
26 taxes to finance a road project unless the issuance is approved by a  
27 vote of a two-thirds majority of the district voters voting at an

1 election held for that purpose.

2 Sec. 7933.152. OPERATION AND MAINTENANCE TAX. (a) If  
3 authorized at an election held under Section 7933.151, the district  
4 may impose an operation and maintenance tax on taxable property in  
5 the district in accordance with Section 49.107, Water Code.

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

8 Sec. 7933.153. CONTRACT TAXES. (a) In accordance with  
9 Section 49.108, Water Code, the district may impose a tax other than  
10 an operation and maintenance tax and use the revenue derived from  
11 the tax to make payments under a contract after the provisions of  
12 the contract have been approved by a majority of the district voters  
13 voting at an election held for that purpose.

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

17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

18 Sec. 7933.201. AUTHORITY TO ISSUE BONDS AND OTHER  
19 OBLIGATIONS. The district may issue bonds or other obligations  
20 payable wholly or partly from ad valorem taxes, impact fees,  
21 revenue, contract payments, grants, or other district money, or any  
22 combination of those sources, to pay for any authorized district  
23 purpose.

24 Sec. 7933.202. TAXES FOR BONDS. At the time the district  
25 issues bonds payable wholly or partly from ad valorem taxes, the  
26 board shall provide for the annual imposition of a continuing  
27 direct ad valorem tax, without limit as to rate or amount, while all

1 or part of the bonds are outstanding as required and in the manner  
2 provided by Sections 54.601 and 54.602, Water Code.

3 Sec. 7933.203. BONDS FOR ROAD PROJECTS. At the time of  
4 issuance, the total principal amount of bonds or other obligations  
5 issued or incurred to finance road projects and payable from ad  
6 valorem taxes may not exceed one-fourth of the assessed value of the  
7 real property in the district.

8 SECTION 2. The Harris County Municipal Utility District No.  
9 543 initially includes all the territory contained in the following  
10 area:

11 BEING a 423.48 acre (18,446,664 square foot) tract of land  
12 situated in the H. & T. C. R.R. Co. Survey Sec. 20, J.A. Arnold  
13 Survey, Abstract No. 1376 (W.L. Mounts Survey A-1376) and the H. &  
14 T.C.R.R. Co. Survey Sec. 21, Abstract No. 424 of Harris County,  
15 Texas and being all of a called 40 acre tract of land described in an  
16 instrument to C.E. Freeman filed for record under Volume 1203, Page  
17 77 of the Harris County Deed Records (H.C.D.R.), all of a called  
18 300.05 acre tract of land described in an instrument to C.E. Freeman  
19 filed for record under Volume 1691, Page 734, H.C.D.R. and all of a  
20 called 79.916 acre tract of land described in an instrument to C.E.  
21 Freeman filed for record under Volume 3599, Page 60, H.C.D.R, said  
22 423.48 acre tract of land being more particularly described by  
23 metes and bounds as follows:

24 BEGINNING at a 1/2-inch iron pipe found inside of a 2-inch  
25 iron pipe (Control Monument) for the Northwest corner of said  
26 300.05 acre tract and the Northwest corner of the herein described  
27 423.48 acre tract, same being the Northeast corner of Lot 21 of

1 J.W. Metzler's Subdivision, a subdivision plat filed for record  
2 under Volume 500, Page 235 of the Harris County Deed Records, said  
3 Lot 21 being part of a called 26.810 acre tract described in an  
4 instrument to Karim Virani filed for record under Harris County  
5 Clerk's File No. (H.C.C.F.) V510692, same also being in the South  
6 line of a called 638.41 acre tract of land described in an  
7 instrument to Fry Road Venture, L.P. filed for record under  
8 H.C.C.F. No. Z078087;

9       THENCE, N 87°48'42" E, a distance of 3,695.86 feet along and  
10 with the South line of said 638.41 acre tract and the North line of  
11 said 300.05 acre tract and said 79.916 acre tract to a 1-1/4 inch  
12 iron pipe found (Control Monument) for the Northeast corner of said  
13 79.916 acre tract and the Northeast corner of the herein described  
14 423.48 acre tract, same being a Northwest corner of a called  
15 616.0368 acre tract of land described in an instrument to McGill  
16 Legacy, Ltd. filed for record under H.C.C.F. No. S326025;

17       THENCE, S 02°04'46" E, a distance of 3,775.47 feet along and  
18 with the East line of said 79.916 acre tract and a West line of said  
19 616.0368 acre tract to a 1/2-inch iron rod found for angle point,  
20 same being the Southeast corner of said 79.916 acre tract, a  
21 Northeast corner of said 300.05 acre tract, a Southwest corner of  
22 said 616.0368 acre tract and the Northwest corner of a called  
23 74.4739 acre tract of land described in an instrument to Melage, LP  
24 filed for record under H.C.C.F. No. 20080160063;

25       THENCE, S 02°09'39" E, a distance of 1,226.46 feet along and  
26 with the East line of said 300.05 acre tract and the West line of  
27 said 74.4739 acre tract to a 1-inch iron pipe found for the



1 Southeast corner of said 300.05 acre tract, the Northeast corner of  
2 a called 460.6459 acre tract described in an instrument to Cowden  
3 Walter Limited Partnership filed for record under H.C.C.F.  
4 No. Y15284 and the Southeast corner of the herein described 423.48  
5 acre tract;

6       THENCE, S 87°52'33" W, a distance of 3,687.27 feet along and  
7 with the South line of said 300.05 acre tract and the South line of  
8 said 40 acre tract to a 1/2-inch iron pipe with cap stamped "Brown &  
9 Gay" set in the centerline of Stockdick Road (unimproved) for the  
10 Southwest corner of the herein described tract, same being the  
11 Southwest corner of said 40 acre tract, same also being the  
12 Southwest corner of a 30-foot right-of-way described in an  
13 instrument to the County of Harris filed for record under Volume  
14 1116, Pg. 304 of the Harris County Deed Records, and from which a  
15 1/2-inch iron pipe bears S 81° 28' 24" E, 3.62 feet and a found  
16 5/8-inch iron rod bears N 87° 52' 33" E, 30.00 feet;

17       THENCE, N 02°06'55" W, along and with the West line of said 40  
18 acre tract, the West line of said 30-foot right-of-way tract and the  
19 centerline of said Stockdick School Road, at a distance of 1,475.00  
20 feet passing the Northwest corner of said 30-foot right-of-way  
21 tract, the Northwest corner of said 40 acre tract, a Southwest  
22 corner of said 300.05 acre tract, the terminus of said Stockdick  
23 School Road and continuing for a total distance of 2,360.64 feet to  
24 a 5/8-inch iron rod found for the Southeast corner of Lot 40 of J.W.  
25 Metzler's Subdivision, a subdivision plat filed for record under  
26 Volume 500, Page 235, H.C.D.R., same also being the Southeast  
27 corner of a called 20 acre tract described in an instrument to J.

1 Glenn Lee filed for record under H.C.C.F. No. S385762;

2       THENCE, N 02°20'41" W, a distance of 657.08 feet along and  
3 with the West line of said 300.05 acre tract and the East line of  
4 Lots 40 through 36 of said Metzler's Subdivision to a 1/2-inch iron  
5 pipe found for and angle point, same being the Northeast corner of  
6 Lot 36 of said Metzler's Subdivision, the Northeast corner of said  
7 20 acre tract and the Southeast corner of a called 0.8128 acre tract  
8 of land described as Parcel 30A in an instrument to the County of  
9 Harris filed for record under H.C.C.F. No. 20090413850;

10       THENCE, N 02°14'50" W, along and with the West line of said  
11 300.05 acre tract and the East line of said 0.8128 acre tract, at a  
12 distance of 1,056.00 passing the Northeast corner of said 0.8128  
13 acre tract, the Southeast corner of Lot 27 of said Metzler's  
14 Subdivision, the Southeast corner of the remainder of said called  
15 26.810 acre tract and continuing along and with the West line of  
16 said 300.05 acre tract and the East line of the remainder of Lots 27  
17 through 21 of said Metzler's Subdivision for a total distance of  
18 1,980.09 feet to the POINT OF BEGINNING and containing 423.48 acres  
19 (18,446,664 square feet) of land.

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

27       (b) The governor, one of the required recipients, has

1 submitted the notice and Act to the Texas Commission on  
2 Environmental Quality.

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

7 (d) All requirements of the constitution and laws of this  
8 state and the rules and procedures of the legislature with respect  
9 to the notice, introduction, and passage of this Act are fulfilled  
10 and accomplished.

11 SECTION 4. (a) If this Act does not receive a two-thirds  
12 vote of all the members elected to each house, Subchapter C, Chapter  
13 7933, Special District Local Laws Code, as added by Section 1 of  
14 this Act, is amended by adding Section 7933.106 to read as follows:

15 Sec. 7933.106. NO EMINENT DOMAIN POWER. The district may  
16 not exercise the power of eminent domain.

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

20 SECTION 5. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2015.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 2037 passed the Senate on May 15, 2015, by the following vote: Yeas 30, Nays 1.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 2037 passed the House on May 27, 2015, by the following vote: Yeas 144, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor