

By: Creighton

S.B. No. 2040

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Harris County Municipal Utility
3 District No. 544; 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 7924 to read as follows:

9 CHAPTER 7924. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 544

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7924.001. 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. 544.

18 Sec. 7924.002. NATURE OF DISTRICT. The district is a
19 municipal utility district created under Section 59, Article XVI,
20 Texas Constitution.

21 Sec. 7924.003. 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. 7924.004. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section 7924.003
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. 7924.005. 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. 7924.006. 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 Sec. 7924.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT
3 REINVESTMENT ZONE. (a) The district is eligible to be included in
4 a tax increment reinvestment zone created under Chapter 311, Tax
5 Code.

6 (b) If the City of Houston has created or creates a tax
7 increment reinvestment zone described by Subsection (a) that
8 includes all or part of the territory of the district, the City of
9 Houston and the board of directors of the zone or a developer of
10 property within the tax increment reinvestment zone that receives
11 or will receive money from the tax increment fund, by contract with
12 the district, may grant money to the district from the tax increment
13 fund to be used for a permissible purpose of the district,
14 including:

15 (1) the right to pledge the money as security for a
16 bond or other obligation issued by the district; and

17 (2) any permissible purpose of a corporation under
18 Section 380.002(b), Local Government Code.

19 SUBCHAPTER B. BOARD OF DIRECTORS

20 Sec. 7924.051. GOVERNING BODY; TERMS. (a) The district is
21 governed by a board of five elected directors.

22 (b) Except as provided by Section 7924.052, directors serve
23 staggered four-year terms.

24 Sec. 7924.052. TEMPORARY DIRECTORS. (a) On or after the
25 effective date of the Act enacting this chapter, the owner or owners
26 of a majority of the assessed value of the real property in the
27 district may submit a petition to the commission requesting that

1 the commission appoint as temporary directors the five persons
2 named in the petition. The commission shall appoint as temporary
3 directors the five persons named in the petition.

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

5 (1) the date permanent directors are elected under
6 Section 7924.003; or

7 (2) the fourth anniversary of the effective date of
8 the Act enacting this chapter.

9 (c) If permanent directors have not been elected under
10 Section 7924.003 and the terms of the temporary directors have
11 expired, successor temporary directors shall be appointed or
12 reappointed as provided by Subsection (d) to serve terms that
13 expire on the earlier of:

14 (1) the date permanent directors are elected under
15 Section 7924.003; or

16 (2) the fourth anniversary of the date of the
17 appointment or reappointment.

18 (d) If Subsection (c) applies, the owner or owners of a
19 majority of the assessed value of the real property in the district
20 may submit a petition to the commission requesting that the
21 commission appoint as successor temporary directors the five
22 persons named in the petition. The commission shall appoint as
23 successor temporary directors the five persons named in the
24 petition.

25 SUBCHAPTER C. POWERS AND DUTIES

26 Sec. 7924.101. GENERAL POWERS AND DUTIES. The district has
27 the powers and duties necessary to accomplish the purposes for

1 which the district is created.

2 Sec. 7924.102. MUNICIPAL UTILITY DISTRICT POWERS AND
3 DUTIES. The district has the powers and duties provided by the
4 general law of this state, including Chapters 49 and 54, Water Code,
5 applicable to municipal utility districts created under Section 59,
6 Article XVI, Texas Constitution.

7 Sec. 7924.103. AUTHORITY FOR ROAD PROJECTS. Under Section
8 52, Article III, Texas Constitution, the district may design,
9 acquire, construct, finance, issue bonds for, improve, operate,
10 maintain, and convey to this state, a county, or a municipality for
11 operation and maintenance macadamized, graveled, or paved roads, or
12 improvements, including storm drainage, in aid of those roads.

13 Sec. 7924.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
14 road project must meet all applicable construction standards,
15 zoning and subdivision requirements, and regulations of each
16 municipality in whose corporate limits or extraterritorial
17 jurisdiction the road project is located.

18 (b) If a road project is not located in the corporate limits
19 or extraterritorial jurisdiction of a municipality, the road
20 project must meet all applicable construction standards,
21 subdivision requirements, and regulations of each county in which
22 the road project is located.

23 (c) If the state will maintain and operate the road, the
24 Texas Transportation Commission must approve the plans and
25 specifications of the road project.

26 Sec. 7924.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
27 OR RESOLUTION. (a) The district shall comply with all applicable

1 requirements of any ordinance or resolution that is adopted under
2 Section 54.016 or 54.0165, Water Code, and that consents to the
3 creation of the district or to the inclusion of land in the
4 district.

5 (b) In addition to all the rights and remedies provided by
6 other law, if the district violates the terms of an ordinance or
7 resolution described by Subsection (a), the municipality is
8 entitled to injunctive relief or a writ of mandamus issued by a
9 court requiring the district and the district's officials to
10 observe and comply with the terms of the ordinance or resolution.

11 Sec. 7924.106. EFFECT OF ANNEXATION BY CITY OF HOUSTON.

12 (a) The City of Houston may annex all or part of the district into
13 its corporate limits without annexing the entire district under the
14 terms of a development agreement between the City of Houston and the
15 owners of the land in the district that is covered by the
16 development agreement. If a development agreement is not executed
17 or the agreement has expired, nothing in this chapter limits the
18 right of the City of Houston to annex the district.

19 (b) If the City of Houston annexes all or part of the
20 district into its corporate limits:

21 (1) the district is not dissolved;

22 (2) the ability of the district to issue bonds is not
23 impaired or precluded; and

24 (3) unless otherwise approved by the board and the
25 governing body of the City of Houston, the city:

26 (A) may not take over the property or other
27 assets of the district;

1 (B) may not assume any debts, liabilities, or
2 other obligations of the district;

3 (C) is not obligated to perform any functions of
4 the district; and

5 (D) is not obligated to pay a landowner or
6 developer for expenses incurred by the landowner or developer in
7 connection with the district that would otherwise be eligible for
8 reimbursement from the proceeds of bonds issued by the district.

9 (c) Notwithstanding Section 54.016(f)(2), Water Code, an
10 allocation agreement between the City of Houston and the district
11 that provides for the allocation of the taxes or revenues of the
12 district and the city following the date of inclusion of all the
13 district's territory in the corporate limits of the city may
14 provide that the total annual ad valorem taxes collected by the city
15 and the district from taxable property in the district may exceed
16 the city's ad valorem tax on that property.

17 Sec. 7924.107. LIMITATION ON USE OF EMINENT DOMAIN. The
18 district may not exercise the power of eminent domain outside the
19 district without the written consent of the City of Houston.

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 7924.151. ELECTIONS REGARDING TAXES OR BONDS.

22 (a) The district may issue, without an election, bonds and other
23 obligations secured by revenue other than ad valorem taxes.

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

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

5 Sec. 7924.152. OPERATION AND MAINTENANCE TAX. (a) If
6 authorized at an election held under Section 7924.151, the district
7 may impose an operation and maintenance tax on taxable property in
8 the district in accordance with Section 49.107, Water Code.

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

11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

12 Sec. 7924.201. AUTHORITY TO ISSUE BONDS AND OTHER
13 OBLIGATIONS. The district may issue bonds or other obligations
14 payable wholly or partly from ad valorem taxes, impact fees,
15 revenue, contract payments, grants, or other district money, or any
16 combination of those sources, to pay for any authorized district
17 purpose.

18 Sec. 7924.202. TAXES FOR BONDS. At the time the district
19 issues bonds payable wholly or partly from ad valorem taxes, the
20 board shall provide for the annual imposition of a continuing
21 direct ad valorem tax, without limit as to rate or amount, while all
22 or part of the bonds are outstanding as required and in the manner
23 provided by Sections 54.601 and 54.602, Water Code.

24 Sec. 7924.203. BONDS FOR ROAD PROJECTS. At the time of
25 issuance, the total principal amount of bonds or other obligations
26 issued or incurred to finance road projects and payable from ad
27 valorem taxes may not exceed one-fourth of the assessed value of the

1 real property in the district.

2 SECTION 2. The Harris County Municipal Utility District No.
3 544 initially includes all the territory contained in the following
4 area:

5 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING
6 138.03 ACRES OF LAND SITUATED IN THE WILLIAM WHITLOCK SURVEY,
7 ABSTRACT NO. 85, HARRIS COUNTY, TEXAS, AND BEING ALL OF A CALLED
8 60.288 ACRE TRACT BEING PLATTED AS INDIAN SHORES SECTIONS NINE (9)
9 AND TEN (10), UNRECORDED AND A CALLED 77.817 ACRE TRACT RECORDED IN
10 VOLUME 1250, PAGE 74 HARRIS COUNTY DEED RECORDS, SAID 138.03 ACRE
11 TRACT BEING THE SAME 138.0268 ACRE TRACT AS RECORDED IN H.C.C.F., NO
12 W777169 AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS,
13 AS FOLLOWS TO-WIT:

14 Beginning at a 5/8 inch iron rod found in the north line of a
15 called 233.8 acre tract as recorded in H.C.C.F. No. Y604056 and
16 same being the Southeast corner of lot Four (4), Block Eighteen (18)
17 of Indian Shores Section 3, according to the map or plat recorded in
18 Volume 131, Page 32 Harris County Map Records (HCMR) and being the
19 Southeast corner of the called 60.288 acre tract and the Southeast
20 corner and PLACE OF BEGINNING of the tract herein described.

21 THENCE NORTH 87 DEGREES 42 MINUTES 19 SECONDS EAST, a
22 distance of 2299.67 feet with the north line of the Wheless tract to
23 a 1 inch iron pipe found for the Southwest corner Lot 1, Block 8 of
24 Rustic Acres Section 2, according to the map or plat recorded in
25 Volume 104, Page 809 Block Book for Harris County and being the
26 Southeast corner of the called 77.817 acre tract and the Southeast
27 corner of this tract herein described.

1 THENCE NORTH 17 DEGREES 11 MINUTES 18 SECONDS EAST, a
2 distance of 1499.32 feet, (called 1500.55 feet), with the west line
3 of said Rustic Acres Section 2 to a 5/8 inch iron rod found at the
4 intersection of the south right-of-way of Stoker Road, having a
5 right-of-way width of 100 feet, for the Northwest corner of Rustic
6 Acres Section 2 and same being the Southwest corner of Indian Shores
7 Section 6 according to the map of plat filed in Volume 165, Page 52
8 HCMR.

9 THENCE NORTH 17 DEGREES 05 MINUTES 22 SECONDS EAST, a
10 distance of 644.33 feet with the west line of said Indian Shores
11 Section 6 to a 5/8 inch iron rod found in the south line of Lot 2,
12 Block 6 of Indian Shores Section One according to the map or plat
13 recorded in Volume 119, Page 63 HCMR for the Northwest corner of
14 Indian Shores Section 6 and the Northeast corner of this tract
15 herein described.

16 THENCE FOLLOWING THE SOUTH BOUNDARY OF INDIAN SHORES SECTION
17 ONE (1) IN A WESTERLY DIRECTION AS FOLLOWS

18 THENCE SOUTH 87 DEGREES 51 MINUTES 26 SECONDS WEST, a
19 distance of 181.78 feet to a 5/8 inch iron rod found for an angle
20 point.

21 THENCE NORTH 84 DEGREES 11 MINUTES 58 SECONDS WEST, a
22 distance of 304.97 feet to a 1 inch iron pipe found for an angle
23 point,

24 THENCE NORTH 73 DEGREES 27 MINUTES 09 SECONDS WEST, a
25 distance of 274.25 feet to a 1/4 inch iron rod found for an angle
26 point,

27 THENCE NORTH 57 DEGREES 45 MINUTES 08 SECONDS WEST, a

1 distance of 954.57 feet to a 1 inch iron pipe found for the
2 Northeast corner of Lot One (1), Block Four (4) of Indian Shores
3 Section Two (2) according to the map or plat recorded in Volume 125,
4 Page 6 HCMR for the Northwest corner of this tract.

5 THENCE FOLLOWING THE EAST LINE OF SAID INDIAN SHORES SECTION
6 TWO (2) AS FOLLOWS:

7 THENCE SOUTH 40 DEGREES 25 MINUTES 36 SECONDS WEST, a
8 distance of 240.48 feet to a 1/2 inch iron rod found at the
9 Intersection with the south right-of-way of Running Bear Trail,
10 having a right-of-way width of sixty (60) feet.

11 THENCE NORTH 45 DEGREES 58 MINUTES 51 SECONDS WEST, a
12 distance of 30.35 feet with the south right-of-way of Running Bear
13 Trail to a 3/8 inch iron rod found for the Northeast corner at Lot 1,
14 Block 10 of said Section 2,

15 THENCE SOUTH 43 DEGREES 23 MINUTES 15 SECONDS WEST, a
16 distance of 223.16 feet to a 1/2 inch iron rod found for the
17 Southeast corner of said Lot 1, Block 10,

18 THENCE NORTH 26 DEGREES 19 MINUTES 19 SECONDS WEST, a
19 distance of 28.88 feet to a 1/2 inch iron rod found for the
20 Northeast corner of Lot 2, Block 10,

21 THENCE SOUTH 71 DEGREES 13 MINUTES 06 SECONDS WEST, a
22 distance of 829.60 feet to a 5/8 inch iron rod found for the
23 Southwest corner of Lot 11, Block 13, Section 2,

24 THENCE SOUTH 18 DEGREES 44 MINUTES 18 SECONDS EAST, a
25 distance of 80.01 feet to a 5/8 inch iron rod found for an angle
26 point,

27 THENCE SOUTH 16 DEGREES 03 MINUTES 16 SECONDS WEST, a

1 distance of 523.67 feet to a 1 inch iron bolt found for an angle
2 point,

3 THENCE SOUTH 20 DEGREES 38 MINUTES 58 SECONDS WEST, a
4 distance of 1006.73 feet to a 1/2 inch iron rod found for an angle
5 point,

6 THENCE SOUTH 64 DEGREES 27 MINUTES 48 SECONDS EAST, a
7 distance of 214.94 feet to a 1/2 inch iron rod found for an angle
8 point and being the Northeast corner of White Dove Trail, having a
9 right-of-way width of sixty (60) feet,

10 THENCE SOUTH 22 DEGREES 15 MINUTES 37 SECONDS WEST, a
11 distance of 43.07 feet with the east right-of-way of said White Dove
12 Trail to a 3/4 inch iron rod found for the Northwest corner of Lot 1,
13 Block 17, Indian Shores Section 3,

14 THENCE SOUTH 67 DEGREES 59 MINUTES 55 SECONDS EAST, a
15 distance of 170.27 feet to a 5/8 inch iron rod found for an angle
16 point,

17 THENCE SOUTH 22 DEGREES 08 MINUTES 33 SECONDS WEST, a
18 distance of 125.02 feet to a 1/2 inch iron rod found for the
19 Northeast corner of Silver Moon Trail, having a right-of-way width
20 of 60 feet,

21 THENCE SOUTH 34 DEGREES 03 MINUTES 33 SECONDS WEST, a
22 distance of 293.77 feet to a 5/8 inch iron rod found for the most
23 south corner of Lot 5, Block 18, Section 3,

24 THENCE SOUTH 43 DEGREES 54 MINUTES 05 SECONDS EAST, a
25 distance of 151.12 feet to the PLACE OF BEGINNING and containing
26 138.03 acres more or less.

27 SECTION 3. (a) The legal notice of the intention to

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

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

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

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

18 SECTION 4. (a) Section 7924.107, Special District Local
19 Laws Code, as added by Section 1 of this Act, takes effect only if
20 this Act receives a two-thirds vote of all the members elected to
21 each house.

22 (b) If this Act does not receive a two-thirds vote of all the
23 members elected to each house, Subchapter C, Chapter 7924, Special
24 District Local Laws Code, as added by Section 1 of this Act, is
25 amended by adding Section 7924.107 to read as follows:

26 Sec. 7924.107. NO EMINENT DOMAIN POWER. The district may
27 not exercise the power of eminent domain.

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

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