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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. 1

BY: Lozano

1 Amend C.S.H.B. No. 4275 (house committee report) by striking
2 all below the enacting clause and substituting the following:

3 SECTION 1. Subtitle F, Title 6, Special District Local Laws
4 Code, is amended by adding Chapter 7998 to read as follows:

5 CHAPTER 7998. INGLESIDE MUNICIPAL UTILITY DISTRICT NO. 1

6 SUBCHAPTER A. GENERAL PROVISIONS

7 Sec. 7998.001. DEFINITIONS. In this chapter:

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

9 (2) "Commission" means the Texas Commission on
10 Environmental Quality.

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

12 (4) "District" means the Ingleside Municipal Utility
13 District No. 1.

14 Sec. 7998.002. NATURE OF DISTRICT. The district is a
15 municipal utility district created under Section 59, Article XVI,
16 Texas Constitution.

17 Sec. 7998.003. CONFIRMATION AND DIRECTORS' ELECTION
18 REQUIRED. The temporary directors shall hold an election to
19 confirm the creation of the district and to elect five permanent
20 directors as provided by Section 49.102, Water Code.

21 Sec. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The
22 temporary directors may not hold an election under Section 7998.003
23 until each municipality in whose corporate limits or
24 extraterritorial jurisdiction the district is located has
25 consented by ordinance or resolution to the creation of the
26 district and to the inclusion of land in the district.

27 Sec. 7998.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
28 The district is created to serve a public purpose and benefit.

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

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

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

7 Sec. 7998.006. INITIAL DISTRICT TERRITORY. (a) The
8 district is initially composed of the territory described by
9 Section 2 of the Act enacting this chapter.

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

14 (1) organization, existence, or validity;

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

18 (3) right to impose a tax; or

19 (4) legality or operation.

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 7998.051. GOVERNING BODY; TERMS. (a) The district is
22 governed by a board of five elected directors.

23 (b) Except as provided by Section 7998.052, directors serve
24 staggered four-year terms.

25 Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary
26 board consists of:

27 (1) Richard Dupriest;

28 (2) Raymond F. Wetegrove;

29 (3) Joseph M. Wetegrove;

30 (4) Jane Helm; and

31 (5) Steven Ray.

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

2 (1) the date permanent directors are elected under
3 Section 7998.003; or

4 (2) the fourth anniversary of the effective date of
5 the Act enacting this chapter.

6 (c) If permanent directors have not been elected under
7 Section 7998.003 and the terms of the temporary directors have
8 expired, successor temporary directors shall be appointed or
9 reappointed as provided by Subsection (d) to serve terms that
10 expire on the earlier of:

11 (1) the date permanent directors are elected under
12 Section 7998.003; or

13 (2) the fourth anniversary of the date of the
14 appointment or reappointment.

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

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 7998.101. GENERAL POWERS AND DUTIES. The district has
24 the powers and duties necessary to accomplish the purposes for
25 which the district is created.

26 Sec. 7998.102. MUNICIPAL UTILITY DISTRICT POWERS AND
27 DUTIES. The district has the powers and duties provided by the
28 general law of this state, including Chapters 49 and 54, Water Code,
29 applicable to municipal utility districts created under Section 59,
30 Article XVI, Texas Constitution.

31 Sec. 7998.103. AUTHORITY FOR ROAD PROJECTS. Under Section

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1 52, Article III, Texas Constitution, the district may design,
2 acquire, construct, finance, issue bonds for, improve, operate,
3 maintain, and convey to this state, a county, or a municipality for
4 operation and maintenance macadamized, graveled, or paved roads, or
5 improvements, including storm drainage, in aid of those roads.

6 Sec. 7998.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
7 project must meet all applicable construction standards, zoning and
8 subdivision requirements, and regulations of each municipality in
9 whose corporate limits or extraterritorial jurisdiction the road
10 project is located.

11 (b) If a road project is not located in the corporate limits
12 or extraterritorial jurisdiction of a municipality, the road
13 project must meet all applicable construction standards,
14 subdivision requirements, and regulations of each county in which
15 the road project is located.

16 (c) If the state will maintain and operate the road, the
17 Texas Transportation Commission must approve the plans and
18 specifications of the road project.

19 Sec. 7998.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
20 OR RESOLUTION. The district shall comply with all applicable
21 requirements of any ordinance or resolution that is adopted under
22 Section 54.016 or 54.0165, Water Code, and that consents to the
23 creation of the district or to the inclusion of land in the
24 district.

25 Sec. 7998.106. DIVISION OF DISTRICT. (a) The district may
26 be divided into two or more districts only if:

- 27 (1) the district has no outstanding bonded debt;
- 28 (2) the district is not imposing ad valorem taxes; and
- 29 (3) the requirements of Subsection (i), as applicable,
- 30 are satisfied.

31 (b) This chapter applies to any new district created by the

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1 division of the district, and a new district has all the powers and
2 duties of the district.

3 (c) A new district created by the division of the district
4 may not, at the time the new district is created, contain any land
5 outside the area described by Section 2 of the Act enacting this
6 chapter.

7 (d) The board, on its own motion or on receipt of a petition
8 signed by the owner or owners of a majority of the assessed value of
9 the real property in the district, may adopt an order dividing the
10 district.

11 (e) The board may adopt an order dividing the district
12 before or after the date the board holds an election under Section
13 7998.003 to confirm the district's creation.

14 (f) An order dividing the district shall:

- 15 (1) name the new district;
16 (2) include the metes and bounds of each new district;
17 (3) appoint temporary directors for each new district;

18 and

19 (4) provide for the division of assets and liabilities
20 between the district and each new district.

21 (g) On or before the 30th day after the date of adoption of
22 an order dividing the district, the district shall file the order
23 with the commission and record the order in the real property
24 records of each county in which the district is located.

25 (h) A new district created by the division of the district
26 shall hold a confirmation and directors' election as required by
27 Section 7998.003.

28 (i) If the district is located wholly or partly in the
29 corporate limits or the extraterritorial jurisdiction of a
30 municipality, the district may not divide under this section unless
31 the municipality by resolution or ordinance consents to the

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1 division of the district. If the district is not located wholly or
2 partly in the corporate limits or extraterritorial jurisdiction of
3 a municipality, the district may not divide under this section
4 unless the commissioners court of each county in which the district
5 is wholly or partly located first adopts a resolution or order in
6 support of the division of the district.

7 (j) Any new district created by the division of the district
8 must hold an election as required by this chapter to obtain voter
9 approval before the district may impose a maintenance tax or issue
10 bonds payable wholly or partly from ad valorem taxes.

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
13 district may issue, without an election, bonds and other
14 obligations secured by revenue other than ad valorem taxes.

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

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

23 Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If
24 authorized at an election held under Section 7998.151, the district
25 may impose an operation and maintenance tax on taxable property in
26 the district in accordance with Section 49.107, Water Code.

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

29 Sec. 7998.153. WATER AND SEWER RATES. Notwithstanding any
30 other law, the district shall establish the same rates for
31 residential and commercial classes of customers for the provision

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1 of water and sewer services. For purposes of this section, the
2 commercial class may not include apartment complexes or other
3 multifamily dwellings.

4 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

5 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER
6 OBLIGATIONS. The district may issue bonds or other obligations
7 payable wholly or partly from ad valorem taxes, impact fees,
8 revenue, contract payments, grants, or other district money, or any
9 combination of those sources, to pay for any authorized district
10 purpose.

11 Sec. 7998.202. TAXES FOR BONDS. At the time the district
12 issues bonds payable wholly or partly from ad valorem taxes, the
13 board shall provide for the annual imposition of a continuing
14 direct ad valorem tax, without limit as to rate or amount, while all
15 or part of the bonds are outstanding as required and in the manner
16 provided by Sections 54.601 and 54.602, Water Code.

17 Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of
18 issuance, the total principal amount of bonds or other obligations
19 issued or incurred to finance road projects and payable from ad
20 valorem taxes may not exceed one-fourth of the assessed value of the
21 real property in the district.

22 SECTION 2. The Ingleside Municipal Utility District No. 1
23 initially includes all the territory contained in the following
24 area:

25 Being 625 acres, more or less, out of the Wm McDonough Survey,
26 Abstract 184, the R.S. Williamson Survey, Abstract 283, the Edmond
27 St. John Survey, Abstract 250, the Louis Von Zacharias Survey,
28 Abstract 272, and the John Robinson Survey, Abstract 226, all
29 tracts located in the City of Ingleside, San Patricio County,
30 Texas.

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

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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) If this Act does not receive a two-thirds
19 vote of all the members elected to each house, Subchapter C, Chapter
20 7998, Special District Local Laws Code, as added by Section 1 of
21 this Act, is amended by adding Section 7998.107 to read as follows:

22 Sec. 7998.107. NO EMINENT DOMAIN POWER. The district may
23 not exercise the power of eminent domain.

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

27 SECTION 5. This Act takes effect immediately if it receives
28 a vote of two-thirds of all the members elected to each house, as
29 provided by Section 39, Article III, Texas Constitution. If this
30 Act does not receive the vote necessary for immediate effect, this
31 Act takes effect September 1, 2017.