

By: Dutton

H.B. No. 2687

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Lago Bello Municipal Utility District No. 1 of Harris County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7990 to read as follows:

CHAPTER 7990. LAGO BELLO MUNICIPAL UTILITY DISTRICT NO. 1 OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7990.001. DEFINITIONS. In this chapter:

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

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

(3) "Director" means a board member.

(4) "District" means the Lago Bello Municipal Utility District No. 1 of Harris County.

Sec. 7990.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7990.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 7990.004. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section 7990.003
4 until each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has
6 consented by ordinance or resolution to the creation of the
7 district and to the inclusion of land in the district.

8 Sec. 7990.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
9 The district is created to serve a public purpose and benefit.

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

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

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

17 Sec. 7990.006. 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. 7990.051. GOVERNING BODY; TERMS. (a) The district is
5 governed by a board of five elected directors.

6 (b) Except as provided by Section 7990.052, directors serve
7 staggered four-year terms.

8 Sec. 7990.052. TEMPORARY DIRECTORS. (a) On or after
9 September 1, 2017, the owner or owners of a majority of the assessed
10 value of the real property in the district may submit a petition to
11 the commission requesting that the commission appoint as temporary
12 directors the five persons named in the petition. The commission
13 shall appoint as temporary directors the five persons named in the
14 petition.

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

16 (1) the date permanent directors are elected under
17 Section 7990.003; or

18 (2) September 1, 2021.

19 (c) If permanent directors have not been elected under
20 Section 7990.003 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 7990.003; 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. 7990.101. 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. 7990.102. 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. 7990.103. 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. 7990.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
24 project must meet all applicable construction standards, zoning and
25 subdivision requirements, and regulations of each municipality in
26 whose corporate limits or extraterritorial jurisdiction the road
27 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. 7990.105. 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 Sec. 7990.106. DIVISION OF DISTRICT. (a) The district may
16 be divided into two or more new districts only if the district:

17 (1) has no outstanding bonded debt; and

18 (2) is not imposing ad valorem taxes.

19 (b) This chapter applies to any new district created by the
20 division of the district, and a new district has all the powers and
21 duties of the district.

22 (c) Any new district created by the division of the district
23 may not, at the time the new district is created, contain any land
24 outside the area described by Section 2 of the Act creating this
25 chapter.

26 (d) The board, on its own motion or on receipt of a petition
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the
2 district.

3 (e) The board may adopt an order dividing the district
4 before or after the date the board holds an election under Section
5 7990.003 to confirm the district's creation.

6 (f) An order dividing the district shall:

7 (1) name each new district;

8 (2) include the metes and bounds description of the
9 territory of each new district;

10 (3) appoint temporary directors for each new district;

11 and

12 (4) provide for the division of assets and liabilities
13 between or among the new districts.

14 (g) On or before the 30th day after the date of adoption of
15 an order dividing the district, the district shall file the order
16 with the Texas Commission on Environmental Quality and record the
17 order in the real property records of each county in which the
18 district is located.

19 (h) Any new district created by the division of the district
20 shall hold a confirmation and directors' election as required by
21 Section 7990.003. If the voters of a new district do not confirm
22 the creation of the new district, the assets, obligations,
23 territory, and governance of the new district revert to the
24 original district.

25 (i) Municipal consent to the creation of the district and to
26 the inclusion of land in the district granted under Section
27 7990.004 acts as municipal consent to the creation of any new

1 district created by the division of the district and to the
2 inclusion of land in the new district.

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

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 7990.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
9 district may issue, without an election, bonds and other
10 obligations secured by:

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

12 (2) contract payments described by Section 7990.153.

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

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

21 Sec. 7990.152. OPERATION AND MAINTENANCE TAX. (a) If
22 authorized at an election held under Section 7990.151, the district
23 may impose an operation and maintenance tax on taxable property in
24 the district in accordance with Section 49.107, Water Code.

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

27 Sec. 7990.153. CONTRACT TAXES. (a) In accordance with

1 Section 49.108, Water Code, the district may impose a tax other than
2 an operation and maintenance tax and use the revenue derived from
3 the tax to make payments under a contract after the provisions of
4 the contract have been approved by a majority of the district voters
5 voting at an election held for that purpose.

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

9 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

10 Sec. 7990.201. AUTHORITY TO ISSUE BONDS AND OTHER
11 OBLIGATIONS. The district may issue bonds or other obligations
12 payable wholly or partly from ad valorem taxes, impact fees,
13 revenue, contract payments, grants, or other district money, or any
14 combination of those sources, to pay for any authorized district
15 purpose.

16 Sec. 7990.202. TAXES FOR BONDS. At the time the district
17 issues bonds payable wholly or partly from ad valorem taxes, the
18 board shall provide for the annual imposition of a continuing
19 direct ad valorem tax, without limit as to rate or amount, while all
20 or part of the bonds are outstanding as required and in the manner
21 provided by Sections 54.601 and 54.602, Water Code.

22 Sec. 7990.203. BONDS FOR ROAD PROJECTS. At the time of
23 issuance, the total principal amount of bonds or other obligations
24 issued or incurred to finance road projects and payable from ad
25 valorem taxes may not exceed one-fourth of the assessed value of the
26 real property in the district.

27 SECTION 2. The Lago Bello Municipal Utility District No. 1

1 of Harris County initially includes all the territory contained in
2 the following area:

3 1,045.7854 ACRES OF LAND, BEING OUT OF THAT CERTAIN
4 CONVEYANCE EXECUTED JULY 15, 1959, FROM E.M. WISE (SOMETIMES KNOWN
5 AS E. MONROE WISE) AND WIFE HELEN LUCILLE WISE, GRANTORS, TO PAUL F.
6 BAMHART, GRANTEE, RECORDED ON JULY 15, 1959 IN VOLUME 3753, PAGE 16
7 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, AND RE-RECORDED ON
8 SEPTEMBER 25, 1959 IN VOLUME 3814, PAGE 327 OF THE DEED RECORDS OF
9 HARRIS COUNTY, TEXAS. THIS CONVEYANCE COVERS 432.716 ACRES, MORE OR
10 LESS, OUT OF THE REUBEN WHITE SURVEY, A-84; 455.886 ACRES, MORE OR
11 LESS, OUT OF SECTION 2 OF THE HT&BRR CO. SURVEY, A-1619; AND 456.08
12 ACRES, MORE OR LESS, OUT OF SECTION 2 & 3 OF THE HT&BRR CO. SURVEY
13 401, TOGETHER WITH THAT CERTAIN WARRANTY DEED CONTAINING 89.80
14 ACRES, MORE OR LESS, OUT OF SECTION 3 OF THE HT&BRR CO. SURVEY,
15 A-501, HARRIS COUNTY, TEXAS, EXECUTED ON DECEMBER 15, 1960, FROM
16 MRS. MARY ANDERSON, A WIDOW, LEROY L. ANDERSON JOINED BY HIS WIFE,
17 HARRIETT IDELL ANDERSON, MRS. MADELINE ESTHER ANDERSON RAMSEY
18 JOINED BY HER HUSBAND, THEO A. RAMSEY, MISS ALICE VIVIAN ANDERSON, A
19 SINGLE WOMAN, AND MRS. LUCILLE KENNING HARE, A WIDOW, GRANTORS, TO
20 PAUL F. BURNHART, GRANTEE, RECORDED ON JANUARY 16, 1961 IN VOLUME
21 4255, PAGE 229 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS; AND A
22 80.0 ACRE TRACT RECORDED UNDER VOLUME 334, PAGE 90 OF THE DEED
23 RECORDS OF HARRIS COUNTY, TEXAS; SAID 1,045.7854 ACRES OF LAND
24 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

25 BEGINNING AT THE A POINT ON THE EASTERLY LINE OF F.M. HIGHWAY
26 2100 (CROSBY-LYCHBURG ROAD) (80 FOOT RIGHT-OF-WAY) AND THE
27 SOUTHWEST CORNER OF SAINT CHARLES PLACE SUBDIVISION SECTION 2, A

1 SUBDIVISION IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP RECORDED
2 UNDER VOLUME 23, PAGE 7 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS.

3 THENCE SOUTH $89^{\circ}03'00''$ EAST, ALONG THE SOUTH LINE OF SAID ST.
4 CHARLES PLACE - SECTION 2, A DISTANCE OF 4613.40 FEET TO THE SOUTH
5 EAST CORNER OF SAID ST. CHARLES PLACE - SECTION 2 AND AN INTERIOR
6 CORNER OF HEREIN DESCRIBED TRACT;

7 THENCE NORTH $00^{\circ}57'00''$ EAST, ALONG THE EAST LINE OF SAID ST.
8 CHARLES PLACE - SECTION 2, A DISTANCE OF 247.90 FEET TO A POINT IN
9 THE CENTERLINE AND END OF EAGLETON LANE (40 FEET WIDE);

10 THENCE SOUTH $89^{\circ}03'00''$ EAST, A DISTANCE OF 20.00 FEET TO A
11 POINT MARKING THE SOUTHEAST CORNER OF SAID EAGLETON LANE;

12 THENCE NORTH $00^{\circ}57'00''$ EAST, ALONG THE EAST LINE OF SAID
13 EAGLETON LANE, A DISTANCE OF 4528.82 FEET TO A POINT IN THE SOUTH
14 LINE OF F.M. HIGHWAY 1942 (CROSBY-CEDAR BAYOU ROAD) (RIGHT-OF-WAY
15 VARIES) AND MARKING THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;

16 THENCE SOUTH $69^{\circ}03'00''$ EAST, ALONG THE SOUTH LINE OF SAID F.M.
17 HIGHWAY 1942, A DISTANCE OF 3646.64 FEET TO THE SOUTHWEST
18 INTERSECTION OF SAID F.M. HIGHWAY 1942 AND SRALLA ROAD
19 (RIGHT-OF-WAY VARIES), SAID POINT MARKING THE NORTHEAST CORNER OF
20 HEREIN DESCRIBED TRACT;

21 THENCE SOUTH $00^{\circ}48'18''$ WEST, ALONG THE WEST LINE OF SAID
22 SRALLA ROAD, A DISTANCE OF 1466.74 FEET TO A POINT FOR CORNER;

23 THENCE IN A SOUTHWESTERLY DIRECTION WITH A CURVE TO THE LEFT,
24 HAVING A RADIUS OF 25,143.98 FEET AND A DISTANCE OF 2822.62 FEET,
25 WITH A CHORD BEARING OF SOUTH $44^{\circ}30'24''$ WEST AND DISTANCE OF 2821.14
26 TO A POINT FOR CORNER;

27 THENCE IN A SOUTHWESTERLY DIRECTION WITH A CURVE TO THE LEFT,

1 HAVING A RADIUS OF 19,203.02 FEET AND A DISTANCE OF 4583.55 FEET
2 WITH A CHORD BEARING OF SOUTH 74°14'30" WEST AND DISTANCE OF 4572.67
3 FEET TO A POINT FOR CORNER;

4 THENCE NORTH 89°03'00" WEST, ALONG THE NORTH LINE OF SAID
5 ECLIPSE CAPITAL, LLC TRACT, A DISTANCE OF 1141.79 FEET TO A POINT IN
6 THE EAST LINE OF SAID F.M. HIGHWAY 2100;

7 THENCE NORTH 03°33'00" WEST, ALONG THE EAST LINE OF SAID F.M.
8 HIGHWAY 2100, A DISTANCE OF 3269.23 FEET TO A POINT FOR CORNER;

9 THENCE NORTH 13°42'00" WEST, ALONG THE EAST LINE OF SAID F.M.
10 HIGHWAY 2100, A DISTANCE 1880.06 FEET TO THE PLACE OF BEGINNING AND
11 CONTAINING 1,308.8450 ACRES OF LAND, MORE OR LESS

12 SECTION 3. (a) The legal notice of the intention to
13 introduce this Act, setting forth the general substance of this
14 Act, has been published as provided by law, and the notice and a
15 copy of this Act have been furnished to all persons, agencies,
16 officials, or entities to which they are required to be furnished
17 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
18 Government Code.

19 (b) The governor, one of the required recipients, has
20 submitted the notice and Act to the Texas Commission on
21 Environmental Quality.

22 (c) The Texas Commission on Environmental Quality has filed
23 its recommendations relating to this Act with the governor, the
24 lieutenant governor, and the speaker of the house of
25 representatives within the required time.

26 (d) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with respect

1 to the notice, introduction, and passage of this Act are fulfilled
2 and accomplished.

3 SECTION 4. (a) If this Act does not receive a two-thirds
4 vote of all the members elected to each house, Subchapter C, Chapter
5 7990, Special District Local Laws Code, as added by Section 1 of
6 this Act, is amended by adding Section 7990.107 to read as follows:

7 Sec. 7990.107. NO EMINENT DOMAIN POWER. The district may
8 not exercise the power of eminent domain.

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

12 SECTION 5. This Act takes effect September 1, 2017.