

1-1 By: Oliverson (Senate Sponsor - Kolthorst) H.B. No. 4272
1-2 (In the Senate - Received from the House May 10, 2017;
1-3 May 10, 2017, read first time and referred to Committee on
1-4 Administration; May 23, 2017, reported favorably by the following
1-5 vote: Yeas 7, Nays 0; May 23, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
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. 554; granting a limited power of eminent domain;
1-19 providing authority to issue bonds; providing authority to impose
1-20 assessments, fees, and 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 7998 to read as follows:

1-24 CHAPTER 7998. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 554

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7998.001. 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. 554.

1-33 Sec. 7998.002. 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. 7998.003. 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. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-41 temporary directors may not hold an election under Section 7998.003
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. 7998.005. 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, improvement, operation,
1-53 or maintenance of macadamized, graveled, or paved roads, or
1-54 improvements, including storm drainage, in aid of those roads.

1-55 Sec. 7998.006. INITIAL DISTRICT TERRITORY. (a) The
1-56 district is initially composed of the territory described by
1-57 Section 2 of the Act enacting this chapter.

1-58 (b) The boundaries and field notes contained in Section 2 of
1-59 the Act enacting this chapter form a closure. A mistake made in the
1-60 field notes or in copying the field notes in the legislative process
1-61 does not affect the district's:

- 2-1 (1) organization, existence, or validity;
- 2-2 (2) right to issue any type of bond for the purposes
- 2-3 for which the district is created or to pay the principal of and
- 2-4 interest on a bond;
- 2-5 (3) right to impose a tax; or
- 2-6 (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

2-8 Sec. 7998.051. GOVERNING BODY; TERMS. (a) The district is
 2-9 governed by a board of five elected directors.
 2-10 (b) Except as provided by Section 7998.052, directors serve
 2-11 staggered four-year terms.

2-12 Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary
 2-13 board consists of:

- 2-14 (1) Matthew O'Neill;
- 2-15 (2) Tayo Ilori;
- 2-16 (3) Kayvon Tabrizi;
- 2-17 (4) Joan L. Gill; and
- 2-18 (5) Justin Klump.

2-19 (b) Temporary directors serve until the earlier of:
 2-20 (1) the date permanent directors are elected under
 2-21 Section 7998.003; or
 2-22 (2) the fourth anniversary of the effective date of
 2-23 the Act enacting this chapter.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 7998.003 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 7998.003; 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.

SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 7998.101. 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. 7998.102. 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. 7998.103. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-50 52, Article III, Texas Constitution, the district may design,
 2-51 acquire, construct, finance, issue bonds for, improve, operate,
 2-52 maintain, and convey to this state, a county, or a municipality for
 2-53 operation and maintenance macadamized, graveled, or paved roads, or
 2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 7998.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 2-56 project must meet all applicable construction standards, zoning and
 2-57 subdivision requirements, and regulations of each municipality in
 2-58 whose corporate limits or extraterritorial jurisdiction the road
 2-59 project is located.

2-60 (b) If a road project is not located in the corporate limits
 2-61 or extraterritorial jurisdiction of a municipality, the road
 2-62 project must meet all applicable construction standards,
 2-63 subdivision requirements, and regulations of each county in which
 2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the
 2-66 Texas Transportation Commission must approve the plans and
 2-67 specifications of the road project.

2-68 Sec. 7998.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
 2-69 OR RESOLUTION. The district shall comply with all applicable

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

3-5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-6 Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
3-7 district may issue, without an election, bonds and other
3-8 obligations secured by:

3-9 (1) revenue other than ad valorem taxes; or
3-10 (2) contract payments described by Section 7998.153.

3-11 (b) The district must hold an election in the manner
3-12 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-13 before the district may impose an ad valorem tax or issue bonds
3-14 payable from ad valorem taxes.

3-15 (c) The district may not issue bonds payable from ad valorem
3-16 taxes to finance a road project unless the issuance is approved by a
3-17 vote of a two-thirds majority of the district voters voting at an
3-18 election held for that purpose.

3-19 Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If
3-20 authorized at an election held under Section 7998.151, the district
3-21 may impose an operation and maintenance tax on taxable property in
3-22 the district in accordance with Section 49.107, Water Code.

3-23 (b) The board shall determine the tax rate. The rate may not
3-24 exceed the rate approved at the election.

3-25 Sec. 7998.153. CONTRACT TAXES. (a) In accordance with
3-26 Section 49.108, Water Code, the district may impose a tax other than
3-27 an operation and maintenance tax and use the revenue derived from
3-28 the tax to make payments under a contract after the provisions of
3-29 the contract have been approved by a majority of the district voters
3-30 voting at an election held for that purpose.

3-31 (b) A contract approved by the district voters may contain a
3-32 provision stating that the contract may be modified or amended by
3-33 the board without further voter approval.

3-34 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-35 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-36 OBLIGATIONS. The district may issue bonds or other obligations
3-37 payable wholly or partly from ad valorem taxes, impact fees,
3-38 revenue, contract payments, grants, or other district money, or any
3-39 combination of those sources, to pay for any authorized district
3-40 purpose.

3-41 Sec. 7998.202. TAXES FOR BONDS. At the time the district
3-42 issues bonds payable wholly or partly from ad valorem taxes, the
3-43 board shall provide for the annual imposition of a continuing
3-44 direct ad valorem tax, without limit as to rate or amount, while all
3-45 or part of the bonds are outstanding as required and in the manner
3-46 provided by Sections 54.601 and 54.602, Water Code.

3-47 Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of
3-48 issuance, the total principal amount of bonds or other obligations
3-49 issued or incurred to finance road projects and payable from ad
3-50 valorem taxes may not exceed one-fourth of the assessed value of the
3-51 real property in the district.

3-52 SECTION 2. The Harris County Municipal Utility District
3-53 No. 554 initially includes all the territory contained in the
3-54 following area:

3-55 Being 95.955 acres of land located in the Harris County
3-56 School Land Survey, Abstract 332, Harris County, Texas, more
3-57 particularly being all of that certain called 51.210 acre tract
3-58 described in the deed from Lenert Investments, LLC to AHTX 3LLC, ET
3-59 AL., by an instrument of record in File No. RP-2016-67420, Official
3-60 Public Records of Real Property of said Harris County, Texas, same
3-61 being a portion of that certain called 44.745 acre tract described
3-62 in the deed from Cunningham Interests H, LTD. to Marlon R. Davis, by
3-63 an instrument of record File No. 20150025169, Official Public
3-64 Records of Harris County, Texas, said 95.955 acres being more
3-65 particularly described in two (2) parts by metes and bounds as
3-66 follows:

3-67 TRACT ONE

3-68 BEING a 51.210 acre tract of land situated in the Harris
3-69 County School Land Survey A-332, being part of Lot 11 and Lot 12,

4-1 Section 9, Harris County, Texas, all of a call 38.516 acre tract of
 4-2 land described by deed dated August 21, 2014. to Colt David Haack
 4-3 and wife, Annette D. Haack, recorded under Film Code
 4-4 No. 060-65-2281 of the Official Public Records of Real Property of
 4-5 Harris County, Texas and all of a call 12.694 acre tract of land
 4-6 described by deed dated September 11, 2014, to Colt David Haack and
 4-7 wife, Annette D. Haack, recorded under Film Code No. 061-08-1088 of
 4-8 the Official Public Records of Real Property of Harris County,
 4-9 Texas said 38.516 acres and 12.694 acres being part of a call 70.801
 4-10 acre tract of land described by deed dated November 3, 1999, to A.
 4-11 J. Foyt, Jr., recorded under Clerk's File No. U071611, Official
 4-12 Public Records of Real Property of Harris County, Texas, said
 4-13 51.210 acres being more particularly described by metes and bounds
 4-14 as follows:

4-15 BEGINNING at a 3/4 inch iron pipe found for the northeast
 4-16 corner of a call 30.213 acre tract of land described by deed dated
 4-17 May 6, 1998, now or formerly, Benjamin F. Pacleb and wife, Janice T.
 4-18 Pacleb, recorded under Clerk's File No. T055052, Official Public
 4-19 Records of Real Property Harris County, Texas, the southeast corner
 4-20 of the original call 70.801 acre tract of land same being the
 4-21 southeast corner of the call 38.516 acre tract of land for the POINT
 4-22 OF BEGINNING and southeast corner of the herein described tract;

4-23 THENCE North 89 degrees 29 minutes 55 seconds West, along the
 4-24 north line of the call 30.213 acre tract of land, the north line of
 4-25 an original call 76.16 acre tract of land described by deed dated
 4-26 March 10, 1994, now or formerly, Randall L. Weaver and Dana M.
 4-27 Weaver, recorded under Clerk's File No. P763344, Official Public
 4-28 Records of Real Property Harris County, Texas, the north line of a
 4-29 call 20.00 acre tract of land described by deed dated May 20, 1996,
 4-30 now or formerly, Xavier A. Cantu et al., recorded under Clerk's File
 4-31 No. R939784, Official Public Records of Real Property Harris
 4-32 County, Texas, the north line of a call 7.00 acre tract of land
 4-33 described by deed dated May 9, 1996, now or formerly, Jimmy Cantu.
 4-34 And Ruth Cantu, recorded under Clerk's File No. R924594, Official
 4-35 Public Records of Real Property Harris County, Texas, the north
 4-36 line of a call 15.39 acre tract of land, more or less, described by
 4-37 deed dated September 16, 1994, now or formerly, Xavier A. Cantu and
 4-38 Ruby Cantu, recorded under Clerk's File No. R074840, Official
 4-39 Public Records of Real Property Harris County, Texas, a portion of
 4-40 the north line of a call 12.8855 acre tract of land designated as
 4-41 Tract 1 by deed dated May 21, 1983, now or formerly, O. D. Hakemack,
 4-42 recorded under Clerk's File No. H995356, Official Public Records of
 4-43 Real Property Harris County, Texas, a distance of 2289.79 feet to
 4-44 the lower southwest corner of the call 38.516 acre tract of land for
 4-45 the lower southwest corner of the herein described tract, from
 4-46 which a 1/2 inch rod found with a plastic identification cap bears
 4-47 South 0.15 feet;

4-48 THENCE North 00 degrees 16 minutes 03 seconds East, a
 4-49 distance of 315.37 feet to a 1/2 inch iron rod found with a plastic
 4-50 identification cap stamped C & C Surveying for an apparent
 4-51 northeast corner of a tract of land described by deed dated December
 4-52 20, 1942, now or formerly, Oscar A. Huenefeld, recorded in Volume
 4-53 1269, Page 349, Deed Records Harris County, Texas, for an interior
 4-54 corner of the herein described tract;

4-55 THENCE North 89 degrees 25 minutes 37 seconds West, a
 4-56 distance of 558.60 feet to a 1/2 inch iron rod found with a plastic
 4-57 identification cap in the east line of Stokes Road, the upper
 4-58 southwest corner of the call 70.801 acre tract of land for the upper
 4-59 southwest corner of the herein described tract;

4-60 THENCE North 00 degrees 13 minutes 28 seconds East, along the
 4-61 east line of Stokes Road, at 335.11 feet pass a 1/2 inch iron rod
 4-62 found with a plastic identification cap for the northwest corner of
 4-63 the call 38.516 acre tract of land, the southwest corner of the call
 4-64 12.694 acre tract of land, continuing a total distance of 564.66
 4-65 feet to a 1/2 inch iron rod found with a plastic identification cap
 4-66 for the northwest corner of the call 12.694 acre tract of land for
 4-67 the northwest corner of the herein described tract;

4-68 THENCE South 88 degrees 24 minutes 04 seconds East, leaving
 4-69 the east line of Stokes Road, a distance of 528.09 feet to a 1/2 inch

5-1 iron rod found with a plastic identification cap at a fence corner
 5-2 post for an angle point of the call 12.694 acre tract of land for an
 5-3 angle point of the herein described tract;

5-4 THENCE North 87 degrees 52 minutes 42 seconds East, generally
 5-5 along a fence line, a distance of 1684.07 feet to a 1/2 inch iron rod
 5-6 found with a plastic identification cap at a fence corner post for
 5-7 the northeast corner of the call 12.694 acre tract of land for the
 5-8 upper northeast corner of the herein described tract;

5-9 THENCE South 00 degrees 16 minutes 22 seconds East, generally
 5-10 along a fence line, a distance of 296.53 feet to a 1/2 inch iron rod
 5-11 found with a plastic identification cap at a fence corner post in
 5-12 the north line of the call 38.516 acre tract of land for the
 5-13 southeast corner of the call 12.694 acre tract of land for an
 5-14 interior corner of the herein described tract;

5-15 THENCE South 89 degrees 29 minutes 55 seconds East, generally
 5-16 along a fence line, along a portion of the north line of the call
 5-17 38.516 acre tract of land, at 628.76 feet pass a fence corner post,
 5-18 continuing a total distance of 633.26 feet to a 1/2 inch iron rod
 5-19 found with a plastic identification cap in a north-south fence line
 5-20 for the northeast corner of the call 38.516 acre tract of land for
 5-21 the lower northeast corner of the herein described tract;

5-22 THENCE South 00 degrees 04 minutes 35 seconds West (bearing
 5-23 basis), along a portion of the east line of the call 38.516 acre
 5-24 tract of land, a distance of 651.19 feet to the POINT OF BEGINNING,
 5-25 containing within these metes and bounds a 51.210 acre tract of
 5-26 land, more or less, as surveyed by Robert McCay, Registered
 5-27 Professional Land Surveyor No. 4509, September 26, 2014.

5-28 TRACT TWO

5-29 All that certain tract or parcel containing 44.7455 acres of
 5-30 land out of that certain 81.0465 acre tract of land situated in the
 5-31 Harris County School Land Survey, A-332 in Harris County, Texas,
 5-32 said 31.0465 acre tract being that same tract of land as described
 5-33 in a deed filed for record under Harris County Clerk's File
 5-34 No. 20130626732, said 44.7455 acre tract- of land being more
 5-35 particularly described by metes and bounds as follows:

5-36 COMMENCING at a 5/8" iron rod with Tony P. Swonke RPLS 4767
 5-37 cap (found) in the West right-of-way line of Binford Road, (60.00
 5-38 feet in width), marking the Southeast corner of that certain call
 5-39 29.971 acre tract of land as described in a deed filed for record
 5-40 under Harris County Clerk's File No. 20100221984 and the Northeast
 5-41 corner of that certain call 139.81 acre tract of land as described
 5-42 in a deed filed for record under Harris County Clerk's file
 5-43 No. 20130178495;

5-44 THENCE S 00°47'37" E, a distance of 1,623.78 feet along the
 5-45 west right-of-way line of said Binford Road and the East line of
 5-46 said 139.81 acre tract of land to a 5/8" iron rod with Tony P. Swonke
 5-47 RPLS 4767 cap (found) marking the Southeast corner of said 139.81
 5-48 acre tract of land, the Northeast corner of said 81.0465 acre tract
 5-49 of land and the Northeast corner and POINT OF BEGINNING of the
 5-50 herein described 44.7455 acre tract of land;

5-51 THENCE S 02°48'43" E, a distance of 1,188.19 feet along the
 5-52 West right-of-way line of said Binford Road and the East line of
 5-53 said 81.0465 acre tract of land to a 5/8" iron rod with EIC cap
 5-54 (found) marking the northeast corner of a 43.9932 acre remainder of
 5-55 that certain call 522.223 acre tract of land as described in a deed
 5-56 filed for record under Harris County Clerk's File No. 20080314221,
 5-57 and the Easterly-Southeast corner of said 81.0465 acre tract of
 5-58 land and the Southeast corner of the herein described 44.7455 acre
 5-59 tract of land;

5-60 THENCE S 86°55'14" W, a distance of 939.31 feet along the
 5-61 common line of said 49.9932 acre remainder tract and said 81.0465
 5-62 acre tract of land to a 5/8" iron rod with EIC cap (found) for angle
 5-63 point;

5-64 THENCE S 89°41'55" W, a distance of 653.87 feet along the
 5-65 common line of said 49.9932 acre remainder tract and said 81.0465
 5-66 acre tract of land to a 5/8" iron rod with EIC cap (found) marking
 5-67 the Northwest corner of said 49.9932 acre remainder tract, an
 5-68 interior corner of said 81.0465 acre tract of land and the Southwest
 5-69 corner of the herein described 44.7455 acre tract of land;

