

1-1 By: Lozano (Senate Sponsor - Zaffirini) H.B. No. 4275
 1-2 (In the Senate - Received from the House May 19, 2017;
 1-3 May 19, 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 Ingleside Municipal Utility
 1-18 District No. 1; providing authority to issue bonds; granting
 1-19 limited power of eminent domain; 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. INGLESIDE MUNICIPAL UTILITY DISTRICT NO. 1

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 Ingleside Municipal Utility
 1-32 District No. 1.

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.

2-7 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) Richard Dupriest;
- 2-15 (2) Raymond F. Wetegrove;
- 2-16 (3) Joseph M. Wetegrove;
- 2-17 (4) Jane Helm; and
- 2-18 (5) Steven Ray.

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.

2-40 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 Sec. 7998.106. DIVISION OF DISTRICT. (a) The district may
 3-6 be divided into two or more districts only if:

- 3-7 (1) the district has no outstanding bonded debt;
- 3-8 (2) the district is not imposing ad valorem taxes; and
- 3-9 (3) the requirements of Subsection (i), as applicable,
 3-10 are satisfied.

3-11 (b) This chapter applies to any new district created by the
 3-12 division of the district, and a new district has all the powers and
 3-13 duties of the district.

3-14 (c) A new district created by the division of the district
 3-15 may not, at the time the new district is created, contain any land
 3-16 outside the area described by Section 2 of the Act enacting this
 3-17 chapter.

3-18 (d) The board, on its own motion or on receipt of a petition
 3-19 signed by the owner or owners of a majority of the assessed value of
 3-20 the real property in the district, may adopt an order dividing the
 3-21 district.

3-22 (e) The board may adopt an order dividing the district
 3-23 before or after the date the board holds an election under Section
 3-24 7998.003 to confirm the district's creation.

3-25 (f) An order dividing the district shall:

- 3-26 (1) name the new district;
- 3-27 (2) include the metes and bounds of each new district;
- 3-28 (3) appoint temporary directors for each new district;

3-29 and

3-30 (4) provide for the division of assets and liabilities
 3-31 between the district and each new district.

3-32 (g) On or before the 30th day after the date of adoption of
 3-33 an order dividing the district, the district shall file the order
 3-34 with the commission and record the order in the real property
 3-35 records of each county in which the district is located.

3-36 (h) A new district created by the division of the district
 3-37 shall hold a confirmation and directors' election as required by
 3-38 Section 7998.003.

3-39 (i) If the district is located wholly or partly in the
 3-40 corporate limits or the extraterritorial jurisdiction of a
 3-41 municipality, the district may not divide under this section unless
 3-42 the municipality by resolution or ordinance consents to the
 3-43 division of the district. If the district is not located wholly or
 3-44 partly in the corporate limits or extraterritorial jurisdiction of
 3-45 a municipality, the district may not divide under this section
 3-46 unless the commissioners court of each county in which the district
 3-47 is wholly or partly located first adopts a resolution or order in
 3-48 support of the division of the district.

3-49 (j) Any new district created by the division of the district
 3-50 must hold an election as required by this chapter to obtain voter
 3-51 approval before the district may impose a maintenance tax or issue
 3-52 bonds payable wholly or partly from ad valorem taxes.

3-53 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-54 Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
 3-55 district may issue, without an election, bonds and other
 3-56 obligations secured by revenue other than ad valorem taxes.

3-57 (b) The district must hold an election in the manner
 3-58 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-59 before the district may impose an ad valorem tax or issue bonds
 3-60 payable from ad valorem taxes.

3-61 (c) The district may not issue bonds payable from ad valorem
 3-62 taxes to finance a road project unless the issuance is approved by a
 3-63 vote of a two-thirds majority of the district voters voting at an
 3-64 election held for that purpose.

3-65 Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If
 3-66 authorized at an election held under Section 7998.151, the district
 3-67 may impose an operation and maintenance tax on taxable property in
 3-68 the district in accordance with Section 49.107, Water Code.

3-69 (b) The board shall determine the tax rate. The rate may not

4-1 exceed the rate approved at the election.

4-2 Sec. 7998.153. WATER AND SEWER RATES. Notwithstanding any
 4-3 other law, the district shall establish the same rates for
 4-4 residential and commercial classes of customers for the provision
 4-5 of water and sewer services. For purposes of this section, the
 4-6 commercial class may not include apartment complexes or other
 4-7 multifamily dwellings.

4-8 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-9 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER
 4-10 OBLIGATIONS. The district may issue bonds or other obligations
 4-11 payable wholly or partly from ad valorem taxes, impact fees,
 4-12 revenue, contract payments, grants, or other district money, or any
 4-13 combination of those sources, to pay for any authorized district
 4-14 purpose.

4-15 Sec. 7998.202. TAXES FOR BONDS. At the time the district
 4-16 issues bonds payable wholly or partly from ad valorem taxes, the
 4-17 board shall provide for the annual imposition of a continuing
 4-18 direct ad valorem tax, without limit as to rate or amount, while all
 4-19 or part of the bonds are outstanding as required and in the manner
 4-20 provided by Sections 54.601 and 54.602, Water Code.

4-21 Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of
 4-22 issuance, the total principal amount of bonds or other obligations
 4-23 issued or incurred to finance road projects and payable from ad
 4-24 valorem taxes may not exceed one-fourth of the assessed value of the
 4-25 real property in the district.

4-26 SECTION 2. The Ingleside Municipal Utility District No. 1
 4-27 initially includes all the territory contained in the following
 4-28 area:

4-29 Being 625 acres, more or less, out of the Wm McDonough Survey,
 4-30 Abstract 184, the R.S. Williamson Survey, Abstract 283, the Edmond
 4-31 St. John Survey, Abstract 250, the Louis Von Zacharias Survey,
 4-32 Abstract 272, and the John Robinson Survey, Abstract 226, all
 4-33 tracts located in the City of Ingleside, San Patricio County,
 4-34 Texas.

4-35 SECTION 3. (a) The legal notice of the intention to
 4-36 introduce this Act, setting forth the general substance of this
 4-37 Act, has been published as provided by law, and the notice and a
 4-38 copy of this Act have been furnished to all persons, agencies,
 4-39 officials, or entities to which they are required to be furnished
 4-40 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 4-41 Government Code.

4-42 (b) The governor, one of the required recipients, has
 4-43 submitted the notice and Act to the Texas Commission on
 4-44 Environmental Quality.

4-45 (c) The Texas Commission on Environmental Quality has filed
 4-46 its recommendations relating to this Act with the governor, the
 4-47 lieutenant governor, and the speaker of the house of
 4-48 representatives within the required time.

4-49 (d) All requirements of the constitution and laws of this
 4-50 state and the rules and procedures of the legislature with respect
 4-51 to the notice, introduction, and passage of this Act are fulfilled
 4-52 and accomplished.

4-53 SECTION 4. (a) If this Act does not receive a two-thirds
 4-54 vote of all the members elected to each house, Subchapter C, Chapter
 4-55 7998, Special District Local Laws Code, as added by Section 1 of
 4-56 this Act, is amended by adding Section 7998.107 to read as follows:

4-57 Sec. 7998.107. NO EMINENT DOMAIN POWER. The district may
 4-58 not exercise the power of eminent domain.

4-59 (b) This section is not intended to be an expression of a
 4-60 legislative interpretation of the requirements of Section 17(c),
 4-61 Article I, Texas Constitution.

4-62 SECTION 5. This Act takes effect immediately if it receives
 4-63 a vote of two-thirds of all the members elected to each house, as
 4-64 provided by Section 39, Article III, Texas Constitution. If this
 4-65 Act does not receive the vote necessary for immediate effect, this
 4-66 Act takes effect September 1, 2017.

4-67 * * * * *