

1-1 By: Oliverson (Senate Sponsor - Bettencourt) H.B. No. 4298
 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 Harris County Municipal Utility
 1-18 District No. 553; 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 7997 to read as follows:

1-24 CHAPTER 7997. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 553

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7997.001. 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. 553.

1-33 Sec. 7997.002. 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. 7997.003. 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. 7997.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section 7997.003
 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. 7997.005. 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, or improvement of
 1-53 macadamized, graveled, or paved roads described by Section 54.234,
 1-54 Water Code, or improvements, including storm drainage, in aid of
 1-55 those roads.

1-56 Sec. 7997.006. INITIAL DISTRICT TERRITORY. (a) The
 1-57 district is initially composed of the territory described by
 1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of
 1-60 the Act enacting this chapter form a closure. A mistake made in the
 1-61 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:

2-2 (1) organization, existence, or validity;

2-3 (2) right to issue any type of bond for the purposes
2-4 for which the district is created or to pay the principal of and
2-5 interest on a bond;

2-6 (3) right to impose a tax; or

2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 7997.051. GOVERNING BODY; TERMS. (a) The district is
2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 7997.052, directors serve
2-12 staggered four-year terms.

2-13 Sec. 7997.052. TEMPORARY DIRECTORS. (a) The temporary
2-14 board consists of:

2-15 (1) Ronda Rusk;

2-16 (2) Michael Kim;

2-17 (3) Mark Deruesse;

2-18 (4) Scott Burleson; and

2-19 (5) Art Musgrove.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under
2-22 Section 7997.003; or

2-23 (2) the fourth anniversary of the effective date of
2-24 the Act enacting this chapter.

2-25 (c) If permanent directors have not been elected under
2-26 Section 7997.003 and the terms of the temporary directors have
2-27 expired, successor temporary directors shall be appointed or
2-28 reappointed as provided by Subsection (d) to serve terms that
2-29 expire on the earlier of:

2-30 (1) the date permanent directors are elected under
2-31 Section 7997.003; or

2-32 (2) the fourth anniversary of the date of the
2-33 appointment or reappointment.

2-34 (d) If Subsection (c) applies, the owner or owners of a
2-35 majority of the assessed value of the real property in the district
2-36 may submit a petition to the commission requesting that the
2-37 commission appoint as successor temporary directors the five
2-38 persons named in the petition. The commission shall appoint as
2-39 successor temporary directors the five persons named in the
2-40 petition.

2-41 SUBCHAPTER C. POWERS AND DUTIES

2-42 Sec. 7997.101. GENERAL POWERS AND DUTIES. The district has
2-43 the powers and duties necessary to accomplish the purposes for
2-44 which the district is created.

2-45 Sec. 7997.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-46 DUTIES. The district has the powers and duties provided by the
2-47 general law of this state, including Chapters 49 and 54, Water Code,
2-48 applicable to municipal utility districts created under Section 59,
2-49 Article XVI, Texas Constitution.

2-50 Sec. 7997.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
2-51 Section 52, Article III, Texas Constitution, the district may
2-52 design, acquire, construct, finance, issue bonds for, improve, and
2-53 convey to this state, a county, or a municipality for operation and
2-54 maintenance macadamized, graveled, or paved roads described by
2-55 Section 54.234, Water Code, or improvements, including storm
2-56 drainage, in aid of those roads.

2-57 (b) The district may exercise the powers provided by this
2-58 section without submitting a petition to or obtaining approval from
2-59 the commission as required by Section 54.234, Water Code.

2-60 Sec. 7997.104. APPROVAL OF ROAD PROJECT. (a) The district
2-61 may not undertake a road project authorized by Section 7997.103
2-62 unless:

2-63 (1) each municipality or county that will operate and
2-64 maintain the road has approved the plans and specifications of the
2-65 road project, if a municipality or county will operate and maintain
2-66 the road; or

2-67 (2) the Texas Transportation Commission has approved
2-68 the plans and specifications of the road project, if the state will
2-69 operate and maintain the road.

3-1 (b) Except as provided by Subsection (a), the district is
3-2 not required to obtain approval from the Texas Transportation
3-3 Commission to design, acquire, construct, finance, issue bonds for,
3-4 improve, or convey a road project.

3-5 Sec. 7997.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
3-6 OR RESOLUTION. The district shall comply with all applicable
3-7 requirements of any ordinance or resolution that is adopted under
3-8 Section 54.016 or 54.0165, Water Code, and that consents to the
3-9 creation of the district or to the inclusion of land in the
3-10 district.

3-11 Sec. 7997.106. LIMITATION ON USE OF EMINENT DOMAIN. The
3-12 district may not exercise the power of eminent domain outside the
3-13 district to acquire a site or easement for:

3-14 (1) a road project authorized by Section 7997.103; or
3-15 (2) a recreational facility as defined by Section
3-16 49.462, Water Code.

3-17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-18 Sec. 7997.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
3-19 district may issue, without an election, bonds and other
3-20 obligations secured by:

3-21 (1) revenue other than ad valorem taxes; or
3-22 (2) contract payments described by Section 7997.153.

3-23 (b) The district must hold an election in the manner
3-24 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-25 before the district may impose an ad valorem tax or issue bonds
3-26 payable from ad valorem taxes.

3-27 (c) The district may not issue bonds payable from ad valorem
3-28 taxes to finance a road project unless the issuance is approved by a
3-29 vote of a two-thirds majority of the district voters voting at an
3-30 election held for that purpose.

3-31 Sec. 7997.152. OPERATION AND MAINTENANCE TAX. (a) If
3-32 authorized at an election held under Section 7997.151, the district
3-33 may impose an operation and maintenance tax on taxable property in
3-34 the district in accordance with Section 49.107, Water Code.

3-35 (b) The board shall determine the tax rate. The rate may not
3-36 exceed the rate approved at the election.

3-37 Sec. 7997.153. CONTRACT TAXES. (a) In accordance with
3-38 Section 49.108, Water Code, the district may impose a tax other than
3-39 an operation and maintenance tax and use the revenue derived from
3-40 the tax to make payments under a contract after the provisions of
3-41 the contract have been approved by a majority of the district voters
3-42 voting at an election held for that purpose.

3-43 (b) A contract approved by the district voters may contain a
3-44 provision stating that the contract may be modified or amended by
3-45 the board without further voter approval.

3-46 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-47 Sec. 7997.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-48 OBLIGATIONS. The district may issue bonds or other obligations
3-49 payable wholly or partly from ad valorem taxes, impact fees,
3-50 revenue, contract payments, grants, or other district money, or any
3-51 combination of those sources, to pay for any authorized district
3-52 purpose.

3-53 Sec. 7997.202. TAXES FOR BONDS. At the time the district
3-54 issues bonds payable wholly or partly from ad valorem taxes, the
3-55 board shall provide for the annual imposition of a continuing
3-56 direct ad valorem tax, without limit as to rate or amount, while all
3-57 or part of the bonds are outstanding as required and in the manner
3-58 provided by Sections 54.601 and 54.602, Water Code.

3-59 Sec. 7997.203. BONDS FOR ROAD PROJECTS. At the time of
3-60 issuance, the total principal amount of bonds or other obligations
3-61 issued or incurred to finance road projects and payable from ad
3-62 valorem taxes may not exceed one-fourth of the assessed value of the
3-63 real property in the district.

3-64 SECTION 2. The Harris County Municipal Utility District No.
3-65 553 initially includes all the territory contained in the following
3-66 area:

3-67 Approximately 266.85 acres of land, being the following tracts of
3-68 land:

- 3-69 1. A called 98.5 acre tract of land conveyed to Gulf Coast

4-1 Land Trust in deed of gift recorded in Clerk's File No. 20120599690
4-2 in the Official Public Records of Harris County, Texas, said
4-3 description being referenced in Clerk's File No. E35554 in the
4-4 Official Public Records of Harris County, Texas and further
4-5 described in Volume 5676, Page 103 in the Harris County Deed
4-6 Records;

4-7 2. A called 63.7407 acre tract of land conveyed to Bauer
4-8 Road Properties, LLC described in a deed recorded in Clerk's File
4-9 No. 20150383255 in the Official Public Records of Harris County,
4-10 Texas;

4-11 3. A called 26.1706 acre tract of land conveyed to 22803
4-12 Scheil Partners, LLC described in a deed recorded in Clerk's File
4-13 No. 20130231162 in the Official Public Record of Harris County,
4-14 Texas;

4-15 4. A called 1.576 acre tract (Tract 1), a called 0.1514 acre
4-16 tract (Tract 2), and a called 0.1214 acre (Tract 3) tract of land
4-17 conveyed to 22803 Scheil Partners, LLC described in a deed recorded
4-18 in Clerk's File No. RP-2016-201349 in the Official Public Records
4-19 of Harris County, Texas;

4-20 5. A called 58.5889 acre tract of land (Tract 1) and a called
4-21 34.9999 acre tract of land (Tract 2) conveyed to 93 Scheil Road LTD.
4-22 described in a deed recorded in Clerk's File No. 20110106409 in the
4-23 Official Public Records of Harris County, Texas; SAVE AND EXCEPT a
4-24 called 17.0000 acre tract (Tract 1) out of said the 58.5889 acre
4-25 tract recorded in in Clerk's File No. 20130150358 in the Official
4-26 Public Records of Harris County, Texas;

4-27 all tracts located in the William McCann Survey, Abstract No. 585
4-28 and the J.B. Baker Survey, Abstract No. 116 in Harris County,
4-29 Texas. Said 266.85 acre tract being more fully described as
4-30 follows, with bearings based on the west line of said 63.7407 acre
4-31 tract the bearing being N 00°24'39" W:

4-32 BEGINNING: At a 3/4 inch iron rod found for the northwest corner of
4-33 said 63.7407 acre tract, in the east right of way of Bauer road;

4-34 THENCE: S 89°46'26" E, along and with the north line of said
4-35 63.7407 acre tract, an approximate distance of 1718.62
4-36 feet to a point corner in the north line of said 63.7407
4-37 acre tract, the southwest corner of said 34.9999 acre
4-38 tract;

4-39 THENCE: N 00°00'34" W, along and with the west line of said
4-40 34.9999 acre tract, the west line of said 58.5889 acre
4-41 tract, an approximate distance of 922.92 feet to a point
4-42 at the northwest corner of said 58.5889 acre tract;

4-43 THENCE: S 89°42'56" E, along and with the north line of said
4-44 58.5889 acre tract, an approximate distance of 1513.57
4-45 feet to a point for an interior corner of said 58.5889
4-46 acre tract;

4-47 THENCE: N 01°07'00" E, along and with the west line of said
4-48 58.5889 acre tract, an approximate distance of 905.07
4-49 feet to a point at the southwest corner of said 17.0000
4-50 acre tract;

4-51 THENCE: S 89°58'02" E, along and with the south line of said
4-52 17.0000 acre tract, approximate distance of 1048.77 feet
4-53 to a point for the southeast corner of said 17.0000 acre
4-54 tract, in the east line of said 58.5889 acre tract;

4-55 THENCE: S 00°01'58" W, along and with the east line of said
4-56 58.5889 acre tract, the east line of said 34.9999 tract,
4-57 and a east line of said 26.1706 acre tract, an
4-58 approximate distance of 1913.91 feet to a point for the
4-59 southeast corner of said 26.1706 acre tract;

4-60 THENCE: Along and with the common line of said 26.1706 acre
4-61 tract, and said 8.7235 acre tract, the following course
4-62 and distance:

4-63 S 89°48'33" W, an approximate distance of 691.97 feet to a
4-64 point for corner,

4-65 S 00°08'29" W, an approximate distance of 1160.75 feet to
4-66 a point for corner at the southeast corner of said
4-67 26.1706, the southwest corner of said 8.7235 acre tract,
4-68 and in the north line of said 98.5 acre tract;

4-69 THENCE: S 84°08'16" E, along and with the north line of said north

5-1 line of said 98.5 acre tract, the south line of said
 5-2 8.7235 acre tract, an approximate distance of 304.57
 5-3 feet to a point for the southeast corner of said 8.7235
 5-4 acre tract, and in the west line of said 1.576 acre
 5-5 tract;
 5-6 THENCE: Along and with the common line of said 8.7235 acre tract,
 5-7 and said 1.576 acre tract the following course and
 5-8 distance:
 5-9 N 00°08'30" E, an approximate distance of 1132.87 feet to
 5-10 a point interior corner of said 8.7235 acre tract, and
 5-11 said 1.576 acre tract,
 5-12 N 89°48'33" E, an approximate distance of 389.02 feet to
 5-13 a point at the northeast corner of said 1.576 acre tract,
 5-14 the southeast corner of said 8.7235 acre tract;
 5-15 THENCE: Along and with the east line of said 1.576 acre tract the
 5-16 following course and distance:
 5-17 S 00°01'58" W, an approximate distance of 30.00 feet to a
 5-18 point for corner,
 5-19 S 89°48'33" W, an approximate distance of 343.24 feet to a
 5-20 point for corner,
 5-21 S 00°08'11" W, an approximate distance of 1193.49 feet to
 5-22 a point for corner,
 5-23 S 25°06'06" W, an approximate distance of 107.20 feet to a
 5-24 point for the south corner of said 1.576 acre tract, and
 5-25 in the east line of said 98.5 acre tract;
 5-26 THENCE: S 00°04'28" E, along and with the east line of said 98.5
 5-27 acre tract an approximate distance of 246.00 feet to a
 5-28 point for the northwest corner of said 0.1514 acre tract;
 5-29 THENCE: S 81°42'19" E, along and with the north line of said
 5-30 0.1514 acre tract, an approximate distance of 61.59 feet
 5-31 to a point for the northeast corner of said 0.1514 acre
 5-32 tract;
 5-33 THENCE: Along and with the east line of said 0.1514 acre tract the
 5-34 following course and distance:
 5-35 S 07°25'12" W, an approximate distance of 101.21 feet to
 5-36 a point for corner,
 5-37 S 52°31'04" W, an approximate distance of 59.76 feet to a
 5-38 point for corner,
 5-39 S 52°31'06" W, an approximate distance of 0.33 feet to a
 5-40 point for corner in the east line of said 98.5 acre
 5-41 tract,
 5-42 THENCE: S 00°04'28" E, along and with the east line of said 98.5
 5-43 acre tract, an approximate distance of 129.55 feet to a
 5-44 point for the northwest corner of said 0.1266 acre tract,
 5-45 THENCE: S 39°42'53" E, an approximate distatnce of 0.40' to an
 5-46 angle point,
 5-47 THENCE: S 39°42'51" E, along and with the north line of said
 5-48 0.1266 acre tract, an approximate distance of 41.05 feet
 5-49 to a point for the northeast corner of said 0.1266 acre
 5-50 tract;
 5-51 THENCE: Along a non-tangent curve to the left, having a radial
 5-52 bearing of S 84°50'12" E, a radius of 6335.67 feet, a
 5-53 central angle of 05°08'49", a chord bearing and
 5-54 approximate distance of S 02°35'24" W, 568.93 feet, for
 5-55 an arc length of 569.13 feet to a point for the south
 5-56 corner of said 0.1266 acre tract the southeast corner of
 5-57 said 98.5 acre tract;
 5-58 THENCE: N 78°08'04" W, along and with the south line of said 98.5
 5-59 acre tract, an approximate distance of 3983.14 feet to a
 5-60 found 4"x4" conc monument for the southwest corner of
 5-61 said 98.5 acre tract,
 5-62 THENCE: N 00°10'33" W, along and with the west line of said 98.5
 5-63 acre tract and also along east line of said Bauer Road,
 5-64 an approximate distance of 892.80 to a found 4"x4" conc
 5-65 monument for the northwest corner of said 98.5 acre tract
 5-66 and for the southwest corner of said 63.7407 acre tract;
 5-67 THENCE: N 00°24'39" W, (bearing basis), along and with the west
 5-68 line of said 63.7407 acre tract and also along the east
 5-69 line of said Bauer Road, an approximate distance of

6-1 892.51 feet to the POINT OF BEGINNING, and containing
6-2 266.85 acres in Harris County, Texas. Said tract being
6-3 described in accordance with a survey made on the ground
6-4 and a survey description and map prepared under job
6-5 number 40428-00 by Pape-Dawson Engineers, Inc.

6-6 SECTION 3. (a) The legal notice of the intention to
6-7 introduce this Act, setting forth the general substance of this
6-8 Act, has been published as provided by law, and the notice and a
6-9 copy of this Act have been furnished to all persons, agencies,
6-10 officials, or entities to which they are required to be furnished
6-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-12 Government Code.

6-13 (b) The governor, one of the required recipients, has
6-14 submitted the notice and Act to the Texas Commission on
6-15 Environmental Quality.

6-16 (c) The Texas Commission on Environmental Quality has filed
6-17 its recommendations relating to this Act with the governor, the
6-18 lieutenant governor, and the speaker of the house of
6-19 representatives within the required time.

6-20 (d) All requirements of the constitution and laws of this
6-21 state and the rules and procedures of the legislature with respect
6-22 to the notice, introduction, and passage of this Act are fulfilled
6-23 and accomplished.

6-24 SECTION 4. (a) Section 7997.106, Special District Local
6-25 Laws Code, as added by Section 1 of this Act, takes effect only if
6-26 this Act receives a two-thirds vote of all the members elected to
6-27 each house.

6-28 (b) If this Act does not receive a two-thirds vote of all the
6-29 members elected to each house, Subchapter C, Chapter 7997, Special
6-30 District Local Laws Code, as added by Section 1 of this Act, is
6-31 amended by adding Section 7997.106 to read as follows:

6-32 Sec. 7997.106. NO EMINENT DOMAIN POWER. The district may
6-33 not exercise the power of eminent domain.

6-34 (c) This section is not intended to be an expression of a
6-35 legislative interpretation of the requirements of Section 17(c),
6-36 Article I, Texas Constitution.

6-37 SECTION 5. This Act takes effect immediately if it receives
6-38 a vote of two-thirds of all the members elected to each house, as
6-39 provided by Section 39, Article III, Texas Constitution. If this
6-40 Act does not receive the vote necessary for immediate effect, this
6-41 Act takes effect September 1, 2017.

6-42 * * * * *