By:  Bailes (Senate Sponsor - Creighton) H.B. No. 4673

(In the Senate - Received from the House April 26, 2019; April 29, 2019, read first time and referred to Committee on Intergovernmental Relations; May 9, 2019, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 0; May 9, 2019, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Lucio                X

Schwertner           X

Alvarado             X

Campbell             X

Fallon               X

Menéndez             X

Nichols              X

COMMITTEE SUBSTITUTE FOR H.B. No. 4673 By:  Menéndez

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Chambers County Municipal Utility District No. 3; 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 8042 to read as follows:

CHAPTER 8042.  CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8042.0101.  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 Chambers County Municipal Utility District No. 3.

Sec. 8042.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8042.0103.  CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8042.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8042.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8042.0105.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 8042.0106.  INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1)  organization, existence, or validity;

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

(3)  right to impose a tax; or

(4)  legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8042.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b)  Except as provided by Section 8042.0202, directors serve staggered four-year terms.

Sec. 8042.0202.  TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b)  Temporary directors serve until the earlier of:

(1)  the date permanent directors are elected under Section 8042.0103; or

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

(c)  If permanent directors have not been elected under Section 8042.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Section 8042.0103; or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8042.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8042.0302.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8042.0303.  AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8042.0304.  ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 8042.0305.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8042.0401.  ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1)  revenue other than ad valorem taxes; or

(2)  contract payments described by Section 8042.0403.

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

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

Sec. 8042.0402.  OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8042.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 8042.0403.  CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8042.0501.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8042.0502.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8042.0503.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2.  The Chambers County Municipal Utility District No. 3 initially includes all the territory contained in the following area:

Description of a 187.1135 acre tract of land situated in the Chambers County School Land Survey, Abstract 321, Chambers County, Texas and being all of that certain 5.7270 acres described in Deed for undivided interest from Gregory Angel, Trustee, to Montgomery Jett Angel Trust dated October 30, 2018 and recorded under County Clerk's File #2018-137473 of the Official Public Records of Chambers County, Texas; all of the residue of that certain called 154.072 acres (Tract 3) conveyed by Chambers Grand Parkway Development, Ltd. to Park Block, Ltd. by Correction Warranty Deed dated November 16, 2009 and recorded in Volume 1161 at Page 209 of the Official Public Records of Chambers County, Texas; all of that certain called 41.7490 acres conveyed by Park Block, Ltd. to The Noor Foundation by Correction Deed dated April 30, 2018 and recorded under County Clerk's File #2018-131695 of the Official Public Records of Chambers County, Texas; and all of that certain 27.497 acres conveyed by Mrs. Annie Pauline Miller to Harry W. Freeman, Trustee, by Deed dated February 1, 1956 and recorded under Volume 173 at Page 303 of the Deed Records of Chambers County, Texas (now carried in the name of Family Interests, Ltd. on tax roll). This 187.1135 acres is more particularly described by the following metes and bounds, to-wit:

Beginning at a point in the South right-of-way line of Interstate Highway No. 10 (300 feet wide right-of-way) for the Northwest corner of that certain 40.323 acres described in Lis Pendens dated June 6, 2005, styled State of Texas vs. Family Interests, Ltd., recorded in Volume 781 at Page 367 of the Official Public Records of Chambers County, Texas and the Northeast corner of said 5.7270 acres. Said point being at the intersection of the South right-of-way line of said Interstate Highway No. 10 with the West right-of-way line of State Highway 99 (a/k/a East Grand Parkway South) and being the Northernmost Northeast corner and POINT OF BEGINNING of this tract. Said BEGINNING POINT has a State Plane Coordinate Value of Y=13,870,267.98 and X=3,278,546.95.

Thence: South 02°31'30" East along the Northernmost East line of this tract, the East line of said 5.7270 acres, the Northernmost West line of said 40.323 acres and the West right-of-way line of said State Highway 99 for a distance of 50.17 feet to a point for an interior corner of this tract, an exterior corner of said 40.323 acres, an exterior corner of said State Highway 99 and the Northernmost corner of said 154.072 acres. Said point being the BEGINNING POINT of a curve to the right, concave Southerly.

Thence: Along and around said curve to the right, in an Southeasterly direction, along the Southernmost East line of this tract, the East line of said 154.072 acres, a West line of said 40.323 acres and the West right-of-way line of said State Highway 99, said curve having a radius of 1110.92 feet, a central angle of 28°44'53" and a chord bearing and distance of South 61°49'04" East 551.57 feet, for an arc length of 557.40 feet to a point for the TERMINATION POINT of said curve.

Thence: South 27°18'35" East along the Southernmost East line of this tract, the East line of said 154.072 acres, the Southernmost West line of said 40.323 acres and the West right-of-way line of said State Highway 99, for a distance of 2133.74 feet to a point for the BEGINNING POINT of a curve to the right, concave Westerly.

Thence: Along and around said curve to the right, in a Southerly direction, along the Southernmost East line of this tract, the East line of said 154.072 acres, the East line of said 41.7490 acres, the Southernmost West line of said 40.323 acres and the West right-of-way line of said State Highway 99, said curve having a radius of 2664.77 feet, a central angle of 57°06'14", a chord bearing and distance of South 01°14'09" West 2547.28 feet, for an arc length of 2655.85 feet to a point in the South line of said Chambers County School Land Survey and the North line of the Jacob Townsend Survey, Abstract 25, Chambers County, Texas. Said point being in the North line of that certain called 92.3102 acres conveyed by Joseph Kilgore Heirs to Kilgore Business, LLC by Deed dated June 30, 2016 and recorded in Volume 1663 at Page 649 of the Official Public Records of Chambers County, Texas and being the Southeast corner of this tract, the Southeast corner of said 41.7490 acres and the Southwest corner of said 40.323 acres.

Thence: South 87°32'17" West along the Easternmost South line of this tract, the South line of said Chambers County School Land Survey, the South line of said 41.7490 acres, the South line of said 154.072 acres, the North line of said 92.3102 acres and the North line of said Townsend Survey for a distance of 945.19 feet to a point for the Southernmost Southwest corner of this tract, the Southwest corner of said 41.7490 acres, the Southernmost Southwest corner of said 154.072 acres and the Southeast corner of that certain called 32.10 acres conveyed by Gordon W. Speer to Speer Properties, Inc. by Deed dated February 28, 2002 and recorded in Volume 549 at Page 766 of the Official Public Records of Chambers County, Texas.

Thence: North 02°27'43" West along the Southernmost West line of this tract, the Southernmost West line of said 154.072 acres, the West line of said 41.7490 acres and the East line of said 32.10 acres for a distance of 1478.65 feet to a point for an interior corner of this tract, the Northwest corner of said 41.7490 acres and the Northeast corner of said 32.10 acres.

Thence: South 87°32'17" West along the Westernmost South line of this tract, the Westernmost South line of said 154.072 acres, the North line of said 32.10 acres and the North line of that certain called 1.9821 acres conveyed by Gordon W. Speer to Speer Properties, Inc. by Deed dated February 28, 2002 and recorded in Volume 549 at Page 769 of the Official Public Records of Chambers County, Texas, for a distance of 1478.70 feet to a point for the Westernmost Southwest corner of this tract, the Westernmost Southwest corner of said 154.072 acres and the Northwest corner of said 1.9821 acres.

Thence: North 02°27'43" West along the Westernmost West line of this tract, the Westernmost West line of said 154.072 acres, and the East line of that certain 4.391 acres conveyed by Leola Trichel, et al, to Speer Properties, Inc. by Deed dated September 13, 1989 and recorded in Volume 89 at Page 126 of the Official Public Records of Chambers County, Texas, for a distance of 1040.40 feet to a point for the Southwest corner of said called 27.497 acres.

Thence: Continue North 02°27'43" West along the Westernmost West line of this tract, the Westernmost West line of said 154.072 acres, the West line of said 27.497 acres, the East line of said 4.391 acres and the East line of that certain called 1.49 acres conveyed by Mrs. Eleanore Collier, et al, to United Gas Pipe Line Company by Deed dated December 24, 1954 and recorded in Volume 163 at Page 459 of the Deed Records of Chambers County, Texas, for a distance of 1086.56 feet to a point for the Westernmost Northwest corner of this tract, the Northwest corner of said 27.497 acres and the Southwest corner of that certain called 20.98 acres conveyed by Betty Stubbs McCune to Frank B. McCune in Cause #3127 of the Probate Records of Chambers County, Texas.

Thence: North 87°37'17" East along the Westernmost North line of this tract, the North line of said 27.497 acres and the South line of said 20.98 acres for a distance of 1094.44 feet to a point for the Northeast corner of said 27.497 acres and an exterior corner of said 154.072 acres.

Thence: Continue North 87°37'17" East along the Westernmost North line of this tract, the Westernmost North line of said 154.072 acres and the South line of said 20.98 acres for a distance of 123.63 feet to a point for an interior corner of this tract, an interior corner of said 154.072 acres and the Southeast corner of said 20.98 acres.

Thence: North 02°31'30" West along an interior West line of this tract, the Northernmost West line of said 154.072 acres and the East line of said 20.98 acres for a distance of 764.88 feet to a point for an interior corner of this tract, the Northeast corner of said 20.98 acres and the Southeast corner of the heretofore mentioned 5.7270 acres.

Thence: South 87°31'35" West along an interior line of this tract, the South line of said 5.7270 acres and the North line of said 20.98 acres for a distance of 607.18 feet to a point for an exterior corner of this tract, the Southwest corner of said 5.7270 acres and the Southeast corner of that certain 4.964 acres conveyed by Michael L. Graham, et al, to Wowco Properties, LLC by Deed dated August 18 and 19, 2016 and recorded in Volume 1677 at Page 404 of the Official Public Records of Chambers County, Texas.

Thence: North 02°17'47" West along the Northernmost West line of this tract, the West line of said 5.7270 acres and the East line of said 4.964 acres for a distance of 383.93 feet to a point in the South right-of-way line of said Interstate Highway No. 10 for the Northernmost Northwest corner of this tract, the Northwest corner of said 5.7270 acres and the Northeast corner of said 4.964 acres.

Thence: North 82°20'19" East along the Northernmost North line of this tract, the North line of said 5.7270 acres and the South right-of-way line of said Interstate Highway No. 10 for a distance of 608.09 feet to the PLACE OF BEGINNING and containing within these boundaries 187.1135 acres or 8,150,665 square feet of land.

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

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

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

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

SECTION 4.  (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8042, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8042.0306 to read as follows:

Sec. 8042.0306.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

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