

1-1 By: Bailes (Senate Sponsor - Nichols) H.B. No. 2979  
1-2 (In the Senate - Received from the House April 15, 2019;  
1-3 April 16, 2019, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 6, 2019, reported favorably by  
1-5 the following vote: Yeas 7, Nays 0; May 6, 2019, 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 Liberty Grand Municipal Utility  
1-18 District No. 1; 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 8049 to read as follows:

1-24 CHAPTER 8049. LIBERTY GRAND MUNICIPAL UTILITY DISTRICT NO. 1

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8049.0101. 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 Liberty Grand Municipal  
1-32 Utility District No. 1.

1-33 Sec. 8049.0102. 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. 8049.0103. CONFIRMATION AND DIRECTOR 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. 8049.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
1-41 temporary directors may not hold an election under Section  
1-42 8049.0103 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. 8049.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-47 (a) 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. 8049.0106. 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. 8049.0201. 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 8049.0202, directors  
 2-11 serve staggered four-year terms.

2-12 Sec. 8049.0202. TEMPORARY DIRECTORS. (a) The temporary  
 2-13 board consists of:

- 2-14 (1) Barrett Von Blon;
- 2-15 (2) Randall Hancock;
- 2-16 (3) Robert Derrick III;
- 2-17 (4) Jess Arnold; and
- 2-18 (5) Jock Naponic.

2-19 (b) Temporary directors serve until the earlier of:  
 2-20 (1) the date permanent directors are elected under  
 2-21 Section 8049.0103; 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 8049.0103 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 8049.0103; 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. 8049.0301. GENERAL POWERS AND DUTIES. The district  
 2-42 has the powers and duties necessary to accomplish the purposes for  
 2-43 which the district is created.

2-44 Sec. 8049.0302. 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. 8049.0303. 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. 8049.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-56 road project must meet all applicable construction standards,  
 2-57 zoning and subdivision requirements, and regulations of each  
 2-58 municipality in whose corporate limits or extraterritorial  
 2-59 jurisdiction the road 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. 8049.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 2-69 ORDINANCE OR RESOLUTION. The district shall comply with all

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

3-5 Sec. 8049.0306. DIVISION OF DISTRICT. (a) The district may  
 3-6 be divided into two or more new districts only if the district:

3-7 (1) has never issued any bonds; and

3-8 (2) is not imposing ad valorem taxes.

3-9 (b) This chapter applies to any new district created by the  
 3-10 division of the district, and a new district has all the powers and  
 3-11 duties of the district.

3-12 (c) Any new district created by the division of the district  
 3-13 may not, at the time the new district is created, contain any land  
 3-14 outside the area described by Section 2 of the Act enacting this  
 3-15 chapter.

3-16 (d) The board, on its own motion or on receipt of a petition  
 3-17 signed by the owner or owners of a majority of the assessed value of  
 3-18 the real property in the district, may adopt an order dividing the  
 3-19 district.

3-20 (e) The board may adopt an order dividing the district  
 3-21 before or after the date the board holds an election under Section  
 3-22 8049.0103 to confirm the creation of the district.

3-23 (f) An order dividing the district shall:

3-24 (1) name each new district;

3-25 (2) include the metes and bounds description of the  
 3-26 territory of each new district;

3-27 (3) appoint temporary directors for each new district;

3-28 and

3-29 (4) provide for the division of assets and liabilities  
 3-30 between or among the new districts.

3-31 (g) On or before the 30th day after the date of adoption of  
 3-32 an order dividing the district, the district shall file the order  
 3-33 with the commission and record the order in the real property  
 3-34 records of each county in which the district is located.

3-35 (h) Any new district created by the division of the district  
 3-36 shall hold a confirmation and directors' election as required by  
 3-37 Section 8049.0103.

3-38 (i) If the creation of the new district is confirmed, the  
 3-39 new district shall provide the election date and results to the  
 3-40 commission.

3-41 (j) Any new district created by the division of the district  
 3-42 must hold an election as required by this chapter to obtain voter  
 3-43 approval before the district may impose a maintenance tax or issue  
 3-44 bonds payable wholly or partly from ad valorem taxes.

3-45 (k) Municipal consent to the creation of the district and to  
 3-46 the inclusion of land in the district granted under Section  
 3-47 8049.0104 acts as municipal consent to the creation of any new  
 3-48 district created by the division of the district and to the  
 3-49 inclusion of land in the new district.

3-50 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-51 Sec. 8049.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
 3-52 The district may issue, without an election, bonds and other  
 3-53 obligations secured by:

3-54 (1) revenue other than ad valorem taxes; or

3-55 (2) contract payments described by Section 8049.0403.

3-56 (b) The district must hold an election in the manner  
 3-57 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-58 before the district may impose an ad valorem tax or issue bonds  
 3-59 payable from ad valorem taxes.

3-60 (c) The district may not issue bonds payable from ad valorem  
 3-61 taxes to finance a road project unless the issuance is approved by a  
 3-62 vote of a two-thirds majority of the district voters voting at an  
 3-63 election held for that purpose.

3-64 Sec. 8049.0402. OPERATION AND MAINTENANCE TAX. (a) If  
 3-65 authorized at an election held under Section 8049.0401, the  
 3-66 district may impose an operation and maintenance tax on taxable  
 3-67 property in the district in accordance with Section 49.107, Water  
 3-68 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. 8049.0403. CONTRACT TAXES. (a) In accordance with  
 4-3 Section 49.108, Water Code, the district may impose a tax other than  
 4-4 an operation and maintenance tax and use the revenue derived from  
 4-5 the tax to make payments under a contract after the provisions of  
 4-6 the contract have been approved by a majority of the district voters  
 4-7 voting at an election held for that purpose.

4-8 (b) A contract approved by the district voters may contain a  
 4-9 provision stating that the contract may be modified or amended by  
 4-10 the board without further voter approval.

4-11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-12 Sec. 8049.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
 4-13 OBLIGATIONS. The district may issue bonds or other obligations  
 4-14 payable wholly or partly from ad valorem taxes, impact fees,  
 4-15 revenue, contract payments, grants, or other district money, or any  
 4-16 combination of those sources, to pay for any authorized district  
 4-17 purpose.

4-18 Sec. 8049.0502. TAXES FOR BONDS. At the time the district  
 4-19 issues bonds payable wholly or partly from ad valorem taxes, the  
 4-20 board shall provide for the annual imposition of a continuing  
 4-21 direct ad valorem tax, without limit as to rate or amount, while all  
 4-22 or part of the bonds are outstanding as required and in the manner  
 4-23 provided by Sections 54.601 and 54.602, Water Code.

4-24 Sec. 8049.0503. BONDS FOR ROAD PROJECTS. At the time of  
 4-25 issuance, the total principal amount of bonds or other obligations  
 4-26 issued or incurred to finance road projects and payable from ad  
 4-27 valorem taxes may not exceed one-fourth of the assessed value of the  
 4-28 real property in the district.

4-29 SECTION 2. The Liberty Grand Municipal Utility District No.  
 4-30 1 initially includes all the territory contained in the following  
 4-31 area:

4-32 BEING a 815.0-acre tract of land situated in the Edward King  
 4-33 Survey, Abstract No. 56, the A.S. McLemore Survey, Abstract  
 4-34 No. 700, the G.C. & S.F. R.R. Co. Survey, Abstract No. 463 and the  
 4-35 H. & T.C. R.R. Co. Survey, Abstract No. 267 of Liberty County, Texas  
 4-36 and being a portion of a called 100-acre tract of land as described  
 4-37 in an instrument to Stoesser Farms, Inc. recorded under Volume 745,  
 4-38 Page 268 of the Deed Records Liberty County (D.R.L.C.), a portion of  
 4-39 the 63rd Tract, 59th Tract, 66th Tract, 58th Tract, 43rd Tract, 37th  
 4-40 Tract and 39th Tract of lands as described in an instrument to  
 4-41 Stoesser Farms, Inc. recorded under Volume 601, Page 541 D.R.L.C.,  
 4-42 and all of the 56th Tract, 55th Tract-First Tract, and 60th  
 4-43 Tract-First Tract, of lands described in an instrument to Stoesser  
 4-44 Farms, Inc. recorded under Volume 601, Page 541 D.R.L.C., said  
 4-45 815.0-acre tract of land described by metes and bounds as follows:

4-46 BEGINNING at a 3/4-inch iron pipe found for an interior  
 4-47 corner of a called 85.63-acre tract of land, designated Tract 2,  
 4-48 described in an instrument to Coastal Water Authority recorded  
 4-49 under Liberty County Clerk's File Number (L.C.C.F. No.) 2012015879,  
 4-50 same being the Northwest corner of the remainder of said 100-acre  
 4-51 tract and the herein described tract;

4-52 THENCE, N 87°56'55" E, along and with the North line of the  
 4-53 remainder of said 100-acre tract and the North line of the remainder  
 4-54 of said 63rd Tract, same being a South line of said 85.63-acre  
 4-55 tract, a distance of 1,832.14 feet to a point for the Northeast  
 4-56 corner of the herein described tract;

4-57 THENCE, over and across the remainder of said 63rd Tract, the  
 4-58 remainder of said 59th Tract, and said 58th Tract, the following  
 4-59 courses and distances:

4-60 S 43°07'30" E, a distance of 66.12 feet to an angle  
 4-61 point of the herein described tract;

4-62 S 39°22'30" E, a distance of 1,727.57 feet to an angle  
 4-63 point of the herein described tract;

4-64 S 36°28'36" E, a distance of 942.93 feet to an angle  
 4-65 point of the herein described tract;

4-66 S 41°33'17" E, a distance of 280.68 feet to an angle  
 4-67 point of the herein described tract;

4-68 S 39°22'30" E, a distance of 1,727.57 feet to an angle  
 4-69 point of the herein described tract;



5-1 S 35°37'30" E, a distance of 1,102.16 feet to a point  
5-2 for corner of the herein described tract, lying on the North line of  
5-3 a called 80-acre tract of land, designated Tract Six, described in  
5-4 an instrument to Phillip Fouts McMillan recorded under Volume 1102,  
5-5 Page 722 of the Official Public Records of Liberty County Texas;  
5-6 THENCE, along and with the North, West, South and East line of  
5-7 said 80-acre tract, the following courses and distances:  
5-8 S 88°25'48" W, a distance of 477.57 feet to a point for  
5-9 the Northwest corner of said 80-acre tract and an interior corner of  
5-10 the herein described tract;  
5-11 S 01°34'12" E, a distance of 2,357.45 feet to a point  
5-12 for the Southwest corner of said 80-acre tract and an interior  
5-13 corner of the herein described tract;  
5-14 N 88°25'48" E, a distance of 1,481.36 feet to a point  
5-15 for the Southeast corner of said 80-acre tract and an interior  
5-16 corner of the herein described tract;  
5-17 N 01°34'12" W, a distance of 721.07 feet to a point for  
5-18 corner of the herein described tract, lying on the West line of the  
5-19 remainder of said 43rd Tract;  
5-20 THENCE, S 31°52'30" E, over and across said 43rd Tract, a  
5-21 distance of 184.89 feet to a point for corner of the herein  
5-22 described tract, lying on a West Line of a called 519.20-acre tract  
5-23 of land, designated Tract 2, described in an instrument to Cedar  
5-24 Bayou Wildlife, LLC recorded under L.C.C.F. No. 2013000064;  
5-25 THENCE, along and with the West lines of said 519.20-acre  
5-26 tract the following courses and distances:  
5-27 S 33°56'12" W, a distance of 84.47 feet to a point for an  
5-28 interior corner of the herein described tract;  
5-29 S 01°44'10" E, a distance of 541.13 feet to a point for  
5-30 corner of the herein described tract;  
5-31 S 87°49'15" W, a distance of 455.56 feet to a point for  
5-32 an interior corner of the herein described tract;  
5-33 S 01°52'18" E, a distance of 2,162.71 feet to an angle  
5-34 point of the herein described tract;  
5-35 S 10°26'41" W, a distance of 1,258.99 feet to a point  
5-36 for corner of the herein described tract;  
5-37 S 85°40'34" W, a distance of 610.17 feet to a point for  
5-38 an interior corner of the herein described tract;  
5-39 S 22°15'26" W, a distance of 858.89 feet to a point for  
5-40 corner of the herein described tract;  
5-41 S 78°54'43" W, a distance of 719.66 feet to a point for  
5-42 the Southernmost corner of the herein described tract, lying on the  
5-43 line common to said H. & T.C. R.R. Co. Survey, Abstract No. 267 and  
5-44 the A.G. Penn Survey, Abstract No. 764;  
5-45 THENCE, N 01°48'36" W, along and with said common line, a  
5-46 distance of 30.17 feet to the common corner of said H. & T.C. R.R.  
5-47 Co. Survey, Abstract No. 267, said A.G. Penn Survey, Abstract  
5-48 No. 764, said G.C. & S.F. R.R. Co. Survey, Abstract No. 463 and the  
5-49 J. Ross Survey, Abstract No. 806, same being an angle point of the  
5-50 herein described tract;  
5-51 THENCE, N 02°12'38" W, along and with the West line of said  
5-52 G.C. & S.F. R.R. Co. Survey, Abstract No. 463, the remainder of said  
5-53 39th Tract, and said the remainder of said 37th Tract, a distance  
5-54 of 4,049.42 feet to a point for corner of the remainder of said 37th  
5-55 Tract and the herein described tract, same being the Southwest  
5-56 corner of a called 1.000-acre tract of land, designated Tract 6,  
5-57 described in an instrument to Ray E. Stoesser, et ux, recorded under  
5-58 L.C.C.F. No. 2014019951;  
5-59 THENCE, along and with the lines common to the remainder of  
5-60 said 37th Tract and said 1.000-acre tract, the following courses  
5-61 and distances:  
5-62 N 87°47'22" E, a distance of 208.71 feet to a point for  
5-63 the Southeast corner of said 1.000-acre tract and an interior  
5-64 corner of the herein described tract;  
5-65 N 02°12'38" W, a distance of 208.71 feet to a point for  
5-66 the Northeast corner of said 1.000-acre tract and an interior  
5-67 corner of the herein described tract;  
5-68 S 87°47'22" W, a distance of 208.71 feet to a point for  
5-69 the Northwest corner of said 1.000-acre tract, same being a common

6-1 corner of said 37th Tract and the herein described tract;  
 6-2 THENCE, N 02°12'38" W, along and with the West line of the  
 6-3 remainder of said 37th Tract, a distance of 30.00 feet to a point  
 6-4 for corner lying on South line of said 60th Tract;

6-5 THENCE, S 88°22'49" W, along and with the South line of said  
 6-6 60th Tract, said 55th Tract, and said 56th Tract, a distance of  
 6-7 1,885.45 feet to the South common corner of said 56th Tract and the  
 6-8 remainder of said 66th Tract, same being an angle point of the  
 6-9 herein described tract;

6-10 THENCE, along and with the South line of the remainder of said  
 6-11 66th Tract, the following courses and distances:

6-12 S 89°38'05" W, a distance of 1,049.76 feet to an angle  
 6-13 point of the herein described tract;

6-14 S 87°54'35" W, a distance of 963.09 feet to a point for  
 6-15 corner the herein described tract, being the Southeast corner of  
 6-16 said 85.63-acre tract;

6-17 THENCE, N 02°04'22" W, along and with an East line of said  
 6-18 85.63-acre tract, same being the West lines of the remainder of said  
 6-19 66th Tract and the remainder of said 100-acre tract, a distance of  
 6-20 7,074.86 feet to the POINT OF BEGINNING and containing 820.0 acres  
 6-21 of land (Gross), SAVE & EXCEPT a called 5-acre tract of land,  
 6-22 designated 55th Tract, Second Tract, described in an instrument to  
 6-23 Stoesser Farms, Inc. recorded under Volume 601, Page 541 D.R.L.C.  
 6-24 leaving a net acreage of 815.0 acres of land.

6-25 Bearing orientation is based on the Texas Coordinate System  
 6-26 of 1983 (NAD83), South Central Zone 4204 and is referenced to deed  
 6-27 bearings of the West lines of said 519.20-acre tract of land as  
 6-28 cited herein.

6-29 SECTION 3. (a) The legal notice of the intention to  
 6-30 introduce this Act, setting forth the general substance of this  
 6-31 Act, has been published as provided by law, and the notice and a  
 6-32 copy of this Act have been furnished to all persons, agencies,  
 6-33 officials, or entities to which they are required to be furnished  
 6-34 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 6-35 Government Code.

6-36 (b) The governor, one of the required recipients, has  
 6-37 submitted the notice and Act to the Texas Commission on  
 6-38 Environmental Quality.

6-39 (c) The Texas Commission on Environmental Quality has filed  
 6-40 its recommendations relating to this Act with the governor, the  
 6-41 lieutenant governor, and the speaker of the house of  
 6-42 representatives within the required time.

6-43 (d) All requirements of the constitution and laws of this  
 6-44 state and the rules and procedures of the legislature with respect  
 6-45 to the notice, introduction, and passage of this Act are fulfilled  
 6-46 and accomplished.

6-47 SECTION 4. (a) If this Act does not receive a two-thirds  
 6-48 vote of all the members elected to each house, Subchapter C, Chapter  
 6-49 8049, Special District Local Laws Code, as added by Section 1 of  
 6-50 this Act, is amended by adding Section 8049.0307 to read as follows:

6-51 Sec. 8049.0307. NO EMINENT DOMAIN POWER. The district may  
 6-52 not exercise the power of eminent domain.

6-53 (b) This section is not intended to be an expression of a  
 6-54 legislative interpretation of the requirements of Section 17(c),  
 6-55 Article I, Texas Constitution.

6-56 SECTION 5. This Act takes effect immediately if it receives  
 6-57 a vote of two-thirds of all the members elected to each house, as  
 6-58 provided by Section 39, Article III, Texas Constitution. If this  
 6-59 Act does not receive the vote necessary for immediate effect, this  
 6-60 Act takes effect September 1, 2019.

6-61 \* \* \* \* \*