| 1-1 | By: Bell of Montgomery (Senate Sponsor - Kolkhorst) H.B. No. 3214 |
| :---: | :---: |
| 1-2 | (In the Senate - Received from the House May 6, 2019; |
| 1-3 | May 6, 2019, read first time and referred to Committee on |
| 1-4 | Intergovernmental Relations; May 15, 2019, reported favorably by |
| 1-5 | the following vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.) |
| 1-6 | committee vote |
| 1-7 | Yea Nay Absent PNV |
| 1-8 | Lucio X |
| 1-9 | Schwertner X |
| 1-10 | Alvarado X |
| 1-11 | Campbell |
| 1-12 | Fallon X |
| 1-13 | Menéndez X |
| 1-14 | Nichols X |
| 1-15 | A BILL TO BE ENTITLED |
| 1-16 | AN ACT |
| 1-17 | relating to the creation of the Waller County Water control and |
| 1-18 | Improvement District No. 3; granting a limited power of eminent |
| 1-19 | domain; providing authority to issue bonds; providing authority to |
| 1-20 | impose assessments, fees, and taxes. |
| 1-21 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: |
| 1-22 | SECTION 1. Subtitle I, Title 6, Special District Local Laws |
| 1-23 | Code, is amended by adding Chapter 9085 to read as follows: |
| 1-24 | CHAPTER 9085. WALLER COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT |
| 1-25 | NO. 3 |
| 1-26 | SUBCHAPTER A. GENERAL PROVISIONS |
| 1-27 | Sec. 9085.0101. DEFINITIONS. In this chapter: |
| 1-28 | (1) "Board" means the district's board of directors. |
| 1-29 | (2) "Commission" means the Texas Commission on |
| 1-30 | Environmental Quality. |
| 1-31 | (3) "Director" means a board member. |
| 1-32 | (4) "District" means the Waller County Water Control |
| 1-33 | and Improvement District No. 3 . |
| 1-34 | Sec. 9085.0102. NATURE OF DISTRICT. The district is a water |
| 1-35 | control and improvement district created under Section 59, Article |
| 1-36 | XVI, Texas Constitution. |
| 1-37 | Sec. 9085.0103. CONFIRMATION AND DIRECTORS' ELECTION |
| 1-38 | REQUIRED. The temporary directors shall hold an election to |
| 1-39 | confirm the creation of the district and to elect five permanent |
| 1-40 | directors as provided by Section 49.102, Water Code. |
| 1-41 | Sec. 9085.0104. CONSENT OF MUNICIPALITY REQUIRED. The |
| 1-42 | temporary directors may not hold an election under section |
| 1-43 | 9085.0103 until each municipality in whose corporate limits or |
| 1-44 | extraterritorial jurisdiction the district is located has |
| 1-45 | consented by ordinance or resolution to the creation of the |
| 1-46 | district and to the inclusion of land in the district. |
| 1-47 | Sec. 9085.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. |
| 1-48 | (a) The district is created to serve a public purpose and benefit. |
| 1-49 | (b) The district is created to accomplish the purposes of: |
| 1-50 | (1) a water control and improvement district as |
| 1-51 | provided by general law and Section 59, Article XVI, Texas |
| 1-52 | Constitution, including the collection, transportation, |
| 1-53 | processing, disposal, and control of domestic, industrial, or |
| 1-54 | communal waste and the gathering, conducting, diverting, and |
| 1-55 | control of local storm water or other harmful excesses of water; and |
| 1-56 | (2) Section 52, Article III, Texas Constitution, that |
| 1-57 | relate to the construction, acquisition, improvement, operation, |
| 1-58 | or maintenance of macadamized, graveled, or paved roads, or |
| 1-59 | improvements, including storm drainage, in aid of those roads. |
| 1-60 | Sec. 9085.0106. INITIAL DISTRICT TERRITORY. (a) The |
| 1-61 | 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. 9085.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 9085.0202, directors serve staggered four-year terms.

Sec. 9085.0202. 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 9085.0103; 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 9085.0103 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 9085.0103; 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. 9085.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 9085.0302. WATER CONTROL AND IMPROVEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state applicable to water control and improvement districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 51, Water code, and specifically including the powers and duties authorized under Subchapter H, Chapter 51, Water Code.

Sec. 9085.0303. 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. 9085.0304. 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,
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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. 9085.0305. 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 42.042 or 42.0425 , Local Government Code, and consents to the creation of the district or to the inclusion of land in the district.

Sec. 9085.0306. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district boundaries to acquire a site or easement for:
(1) a recreational facility, as defined by section 49.462, Water Code; or
(2) a road project authorized by Section 9085.0303. SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
Sec. 9085.0401. 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 9085.0403.
(b) The district must hold an election in the manner provided by Chapters 49 and 51, 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. 9085.0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 9085.0401, 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. 9085.0403. 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. 9085.0501. 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. 9085.0502. 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 Chapter 51, Water Code.

Sec. 9085.0503. 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.

Sec. 9085.0504. BONDS FOR RECREATIONAL FACILITIES. (a) The district may develop recreational facilities and issue bonds for recreational facilities as provided by Chapter 49, Water Code, regardless of whether the district's territory overlaps with the
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4-65 territory of a political subdivision that is authorized to develop recreational facilities and issue bonds for recreational facilities under Chapter 49, Water Code.
(b) The authority of the district to develop recreational facilities and issue bonds for recreational facilities under this section does not limit the authority of another political subdivision whose territory the territory of the district may overlap, wholly or partly, to develop recreational facilities and issue bonds for recreational facilities under Chapter 49, Water Code.

SECTION 2. The Waller County Water Control and Improvement District No. 3 initially includes all the territory contained in the following area:

A metes \& bounds description of a certain 3,791 acre (165,143,925 square feet) tract of land situated in the $W$. McCutchen (H. \& T.C. R.R. Co.) Survey, Abstract No. 312, H. \& T.C. R.R. Co. Survey, Abstract No. 145, W. McCutchen (H. \& T.C. R.R. Co.) Survey, Abstract No. 315, H. \& T.C. R.R. Co. Survey, Abstract No. 193, W. McCutchen (H. \& T.C. R.R. Co.) Survey, Abstract No. 309, H. \& T.C. R.R. Co. Survey, Abstract No. 192, H. \& T.C. R.R. Co. Survey, Abstract No. 188, J. McCutchen (H. \& T.C. R.R. Co.) Survey, Abstract No. 307, and the E. Wright (H. \& T. R.R. Co.) Survey, Abstract No. 381 in Waller County, Texas, being all of a called 640 acre tract conveyed to Margaret Sager Pfeffer Estate Trust by Deed recorded in Volume 271, Page 308, Waller County Deed Records, being all of a called 640 acre tract conveyed to Adolph and Noelie Pfeffer Family Partnership One, Ltd. and Adolph and Noelie Pfeffer Family Partnership Two, Ltd. by Special Warranty Deed recorded in Volume 1284, Page 133, Waller Official Public Records of Real Property, being all of a called 823.996 acre tract conveyed to Adolph A. Pfeffer Sr., Trustee, of the Margaret Sager Pfeffer Estate Trust by Warranty Deed recorded in Volume 297, Page 825, Waller County Deed Records, being all of a called 320 acre tract conveyed to Cochran Road Partners, LLC by Special Warranty Deed recorded in Volume 1212, Page 399, Waller County Deed Records, being all of a called 640 acre tract conveyed to Cochran Road Partners, LLC by Special Warranty Deed recorded in Volume 1212, Page 399, Waller County Deed Records, being all of a called 152 acre tract conveyed to Cochran Road Partners, LLC by Special Warranty Deed recorded in Volume 1212, Page 399, Waller County Official Public Records of Real Property, being all of a called 80.741 acre tract conveyed to Adolph A. Pfeffer, Jr., Trustee, of the Margaret Sager Pfeffer Estate Trust by Warranty Deed recorded in Volume 570, Page 822, Waller County Deed Records, being all of a called 40 acre (Tract 6) tract conveyed to Adolph Pfeffer by Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of a called 40 acre (Tract 7) tract conveyed to Adolph Pfeffer by Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of a called 119.5 acre (being 159.5 acres less 40 acres) tract conveyed to Adolph Pfeffer by Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of Lot 6 (called Tract 1) conveyed to Adolph Pfeffer by Partition Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of Lot 7 (called Tract 2) conveyed to Adolph Pfeffer by Partition Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of Lot 8 (called Tract 3) conveyed to Adolph Pfeffer by Partition Deed recorded in Volume 350, Page 5, Waller County Deed Records, being all of Lot 9 (called Tract 4) conveyed to Adolph Pfeffer by Partition Deed recorded in Volume 350, Page 5, Waller County Deed Records, being the residue of a called 20.00 acre tract conveyed to Adolph A. Pfeffer by Special Warranty Deed recorded in Volume 1109, Page 001, Waller County Official Public Records of Real Property, and being a portion of tracts conveyed to Adolph A. Pfeffer by deed recorded in Volume 119, Page 113 Waller County Deed Records; said 3,791-acre (165,143,925 square feet) tract of land being more particularly described as follows with all bearings being based on the Texas Coordinate System, South Central Zone, NAD 83:

BEGINNING at a point being the southeast corner of said called 640 acre tract conveyed to Margaret Sager Pfeffer Estate

5-1 Trust;
THENCE, North 900'00" West, 5,280.00 feet to a point for a corner being the southwest corner of said called 640 acre tract conveyed to Margaret Sager Pfeffer Estate Trust;

THENCE, North $00^{\circ} 00^{\prime} 00^{\prime \prime}$ West, 2,640.00 feet to a point for corner being in the west line of said called 640 acre tract conveyed to Margaret Sager Pfeffer Estate Trust and being the southeast corner of said called 320 acre tract;

THENCE, North $90^{\circ} 00^{\prime} 00^{\prime \prime}$ West, 5,280.00 feet to a point for corner being the southwest corner of said called 320 acre tract;

THENCE, North 00ㅇO'00" East, 2,728.33 feet to a point for corner being the northwest corner of said called 320 acre tract, being the southwest corner of said called 640 acre tract conveyed to Cochran Road Partners, LLC, and being the southeast corner of said called Volume 119, Page 113;

THENCE, North $90^{\circ} 00^{\prime} 00^{\prime \prime}$ West, 761.11 feet to a point for corner being in the south line of said called Volume 119, Page 113;

THENCE, South 8936'31" West, 1,319.30 feet to a point for corner being the southwest corner of said called Volume 119, Page 113 and being the southeast corner of said called 80.741 acre tract;

THENCE, North 89.37'42" West, 1,843.37 feet to a point for corner being the southwest corner of said called residue of a called 20.00 acre tract;

THENCE, North 0022'16" East, 1,105.28 feet to a point for corner being in the west line of said called residue of a called 20 acre tract;

THENCE, South 8937'43" East, 500.54 feet to a point for corner being in the west line of said called 80.741 acre tract and being in the east line of said called residue of a called 20.00 acre tract;

THENCE, North 01²4'32" West, 391.93 feet to a point for corner being in the west line of said called 80.741 acre tract and being in the east line of said called residue of a called 20.00 acre tract;

THENCE, North 01¹6'47" East, 33.21 feet to a point for corner being in the west line of said called 80.741 acre tract and being in the east line of said called residue of a called 20.00 acre tract;

THENCE, North 8937'43" West, 488.89 feet to a point for corner being in the west line of said called residue of a called 20.00 acre tract;

THENCE, North $00^{\circ} 22^{\prime 2} 1^{\prime \prime}$ East, 189.43 feet to a point for corner being the northwest corner of said called residue of a called 20.00 acre tract;

THENCE, South 89.37'43" East, 491.89 feet to a point for corner being in the west line of said called 80.741 acre tract and being the northeast corner of said called residue of a called 20.00 acre tract;

THENCE, North 01¹6'47" East, 926.49 feet to a point for corner being the northwest corner of said called 80.741 acre tract and being the most northerly southwest corner of said called Volume 119, Page 113;

THENCE, North 00ㅇO'00" West, 1,223.80 feet to a point for corner being the southeast corner of said called Tract 6 and being in the west line of said called Volume 119, Page 113;

THENCE, North 900'00" West, $2,638.89$ feet to a point for corner being the southwest corner of said called Tract 7;

THENCE, North 00'00'00" West, $1,322.22$ feet to a point for corner being the northwest corner of said called Tract 7;

THENCE, North $90^{\circ} 00^{\prime} 00^{\prime \prime}$ East, 530.56 feet to a point for corner being in the north line of said called Tract 7 and being the southwest corner of said called 119.5 acre tract;

THENCE, North 000'OO" West, 2,516.67 feet to a point for corner being the northwest corner of said called 119.5 acre tract;

THENCE, North 8954'50" East, 2,773.34 feet to a point for corner being the northeast corner of said called 119.5 acre tract, being the southwest corner of said called Lot 6 , and being the northwest corner of said called Lot 7;

THENCE, North $00^{\circ} 00^{\prime} 00^{\prime \prime}$ West, 840.28 feet to a point for corner being the northwest corner of said called Lot 6;

THENCE, North 900'00" East, 2,735.00 feet to a point for corner being the northeast corner of said called Lot 6;

THENCE, South 0000'00" West, 869.44 feet to a point for corner being the southeast corner of said called Lot 6 , being the northeast corner of said called Lot 7, and being the northwest corner of said called 152 acre tract;

THENCE, North $90^{\circ} 00^{\prime} 00^{\prime \prime}$ East, $2,657.30$ feet to a point for corner being the northeast corner of said called 152 acre tract;

THENCE, South 0000'00" East, 2,491.67 feet to a point for corner being the southeast corner of said called 152 acre tract and being in the north line of said called 640 acre tract conveyed to Cochran Road Partners, LLC;

THENCE, North 900'00" East, 2,622.70 feet to a point for corner being the northeast corner of said called 640 acre tract conveyed to Cochran Road Partners, LLC, being the northwest corner of said called 640 acre tract conveyed to Adolph and Noelie Pfeffer Family Partnership One, Ltd. and Adolph and Noelie Pfeffer Family Partnership Two, Ltd., and being the southwest corner of said called 823.996 acre tract;

THENCE, North 0004'31" East, 4,548.22 feet to a point for corner being in the west line of said called 823.996 acre tract;

THENCE, North $11^{\circ} 22^{\prime 2} 4^{\prime \prime}$ West, 128.93 feet to a point for corner being in the west line of said called 823.996 acre tract;

THENCE, North $00^{\circ} 21^{\prime \prime} 45^{\prime \prime}$ East, 459.44 feet to a point for corner being the northwest corner of said called 823.996 acre tract;

THENCE, South 8956'04" East, 2,814.86 feet to a point for corner being the most northerly northeast corner of said called 823.996 acre tract;

THENCE, South 16¹2'54" East, 1,715.81 feet to a point being an interior corner of said called 823.996 acre tract;

THENCE, South $81^{\circ} 28^{\prime} 25^{\prime \prime}$ E, $2,000.00$ feet to a point for corner being the most southerly northeast corner of said called 823.996 acre tract;

THENCE, South 0006'10" East, 13,746.77 feet to the POINT OF BEGINNING, CONTAINING 3,791 acres (165,143,925 square feet) of land in Waller County, Texas filed in the office of Manhard Consulting, Ltd. in The Woodlands, Texas.

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) Section 9085.0306, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.
(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 9085, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 9085.0306 to read as follows:

Sec. 9085.0306. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain. legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.
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7-1 SECTION 5. This Act takes effect immediately if it receives 7-2 a vote of two-thirds of all the members elected to each house, as 7-3 provided by Section 39, Article III, Texas Constitution. If this 7-4 Act does not receive the vote necessary for immediate effect, this 7-5 Act takes effect September 1, 2019.

