

1-1 By: Nichols S.B. No. 2517
 1-2 (In the Senate - Filed April 3, 2019; April 3, 2019, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; April 17, 2019, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; April 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
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 conversion of the May Public Utility District to the
 1-18 Harris-Liberty Counties Municipal Utility District No. 1; granting
 1-19 a limited power of eminent domain; providing authority to issue
 1-20 bonds; providing authority to impose assessments, fees, or taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The May Public Utility District is converted to
 1-23 the Harris-Liberty Counties Municipal Utility District No. 1 and is
 1-24 governed by Chapter 7893, Special District Local Laws Code, as
 1-25 added by this Act.

1-26 SECTION 2. Subtitle F, Title 6, Special District Local Laws
 1-27 Code, is amended by adding Chapter 7893 to read as follows:

1-28 CHAPTER 7893. HARRIS-LIBERTY COUNTIES MUNICIPAL UTILITY DISTRICT
 1-29 NO. 1

1-30 SUBCHAPTER A. GENERAL PROVISIONS

1-31 Sec. 7893.0101. DEFINITIONS. In this chapter:

1-32 (1) "Board" means the district's board of directors.

1-33 (2) "Commission" means the Texas Commission on
 1-34 Environmental Quality.

1-35 (3) "Director" means a board member.

1-36 (4) "District" means the Harris-Liberty Counties
 1-37 Municipal Utility District No. 1.

1-38 Sec. 7893.0102. NATURE OF DISTRICT. The district is a
 1-39 district created under Section 59, Article XVI, Texas Constitution,
 1-40 as the May Public Utility District and converted to a municipal
 1-41 utility district as the Harris-Liberty Counties Municipal Utility
 1-42 District No. 1.

1-43 Sec. 7893.0103. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-44 (a) The district is converted and operates to serve a public
 1-45 purpose and benefit.

1-46 (b) The district is converted and operates to accomplish the
 1-47 purposes of:

1-48 (1) a municipal utility district as provided by
 1-49 general law and Section 59, Article XVI, Texas Constitution; and

1-50 (2) Section 52, Article III, Texas Constitution, that
 1-51 relate to the construction, acquisition, improvement, operation,
 1-52 or maintenance of macadamized, graveled, or paved roads, or
 1-53 improvements, including storm drainage, in aid of those roads.

1-54 Sec. 7893.0104. DISTRICT TERRITORY. The district is
 1-55 composed of the territory of the former May Public Utility District
 1-56 as that territory existed on January 1, 2019.

1-57 SUBCHAPTER B. BOARD OF DIRECTORS

1-58 Sec. 7893.0201. GOVERNING BODY; TERMS. (a) The district
 1-59 is governed by a board of five elected directors.

1-60 (b) Except as provided by Section 7893.0202, directors
 1-61 serve staggered four-year terms.

2-1 Sec. 7893.0202. TEMPORARY DIRECTORS. (a) On or after the
 2-2 effective date of the Act enacting this chapter, the owner or owners
 2-3 of a majority of the assessed value of the real property in the
 2-4 district may submit a petition to the commission requesting that
 2-5 the commission appoint as temporary directors the five persons
 2-6 named in the petition. The commission shall appoint as temporary
 2-7 directors the five persons named in the petition.

2-8 (b) Temporary directors serve until the earlier of:
 2-9 (1) the date permanent directors are elected at an
 2-10 election held under Section 49.102, Water Code; or
 2-11 (2) the fourth anniversary of the effective date of
 2-12 the Act enacting this chapter.

2-13 (c) If permanent directors have not been elected at an
 2-14 election held under Section 49.102, Water Code, and the terms of the
 2-15 temporary directors have expired, successor temporary directors
 2-16 shall be appointed or reappointed as provided by Subsection (d) to
 2-17 serve terms that expire on the earlier of:

2-18 (1) the date permanent directors are elected at an
 2-19 election held under Section 49.102, Water Code; or
 2-20 (2) the fourth anniversary of the date of the
 2-21 appointment or reappointment.

2-22 (d) If Subsection (c) applies, the owner or owners of a
 2-23 majority of the assessed value of the real property in the district
 2-24 may submit a petition to the commission requesting that the
 2-25 commission appoint as successor temporary directors the five
 2-26 persons named in the petition. The commission shall appoint as
 2-27 successor temporary directors the five persons named in the
 2-28 petition.

2-29 SUBCHAPTER C. POWERS AND DUTIES

2-30 Sec. 7893.0301. GENERAL POWERS AND DUTIES. The district
 2-31 has the powers and duties necessary to accomplish the purposes
 2-32 described by this chapter.

2-33 Sec. 7893.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-34 DUTIES. The district has the powers and duties provided by the
 2-35 general law of this state, including Chapters 49 and 54, Water Code,
 2-36 applicable to municipal utility districts created under Section 59,
 2-37 Article XVI, Texas Constitution.

2-38 Sec. 7893.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-39 52, Article III, Texas Constitution, the district may design,
 2-40 acquire, construct, finance, issue bonds for, improve, operate,
 2-41 maintain, and convey to this state, a county, or a municipality for
 2-42 operation and maintenance macadamized, graveled, or paved roads, or
 2-43 improvements, including storm drainage, in aid of those roads.

2-44 Sec. 7893.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-45 road project must meet all applicable construction standards,
 2-46 zoning and subdivision requirements, and regulations of each
 2-47 municipality in whose corporate limits or extraterritorial
 2-48 jurisdiction the road project is located.

2-49 (b) If a road project is not located in the corporate limits
 2-50 or extraterritorial jurisdiction of a municipality, the road
 2-51 project must meet all applicable construction standards,
 2-52 subdivision requirements, and regulations of each county in which
 2-53 the road project is located.

2-54 (c) If the state will maintain and operate the road, the
 2-55 Texas Transportation Commission must approve the plans and
 2-56 specifications of the road project.

2-57 Sec. 7893.0305. COMPLIANCE WITH MUNICIPAL CONSENT
 2-58 ORDINANCE OR RESOLUTION. The district shall comply with all
 2-59 applicable requirements of any ordinance or resolution that is
 2-60 adopted under Section 54.016 or 54.0165, Water Code.

2-61 Sec. 7893.0306. DIVISION OF DISTRICT. (a) The district
 2-62 may be divided into two or more new districts only if the district:

2-63 (1) has never issued any bonds before or after
 2-64 conversion; and
 2-65 (2) is not imposing ad valorem taxes.

2-66 (b) This chapter applies to any new district created by
 2-67 division of the district, and a new district has all the powers and
 2-68 duties of the district.

2-69 (c) A new district created by division of the district may

3-1 not, at the time the new district is created, contain land outside
3-2 the territory of the district described by Section 7893.0104.

3-3 (d) The board, on its own motion or on receipt of a petition
3-4 signed by the owner or owners of a majority of the assessed value of
3-5 the real property in the district, may adopt an order dividing the
3-6 district.

3-7 (e) The board may adopt an order dividing the district
3-8 before or after the date the board holds an election under Section
3-9 49.102, Water Code, to confirm the district's creation.

3-10 (f) An order dividing the district must:

3-11 (1) name each new district;

3-12 (2) include the metes and bounds description of the
3-13 territory of each new district;

3-14 (3) appoint temporary directors for each new district;
3-15 and

3-16 (4) provide for the division of assets and liabilities
3-17 between or among the new districts.

3-18 (g) On or before the 30th day after the date of adoption of
3-19 an order dividing the district, the district shall file the order
3-20 with the commission and record the order in the real property
3-21 records of each county in which the district is located.

3-22 (h) A new district created by division of the district shall
3-23 hold a confirmation and directors' election as required by Section
3-24 49.102, Water Code. If the creation of the new district is
3-25 confirmed, the new district shall provide the election date and
3-26 results to the commission.

3-27 (i) A new district created by division of the district must
3-28 hold an election as required by this chapter to obtain voter
3-29 approval before the district may impose a maintenance tax or issue
3-30 bonds payable wholly or partly from ad valorem taxes.

3-31 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-32 Sec. 7893.0401. ELECTIONS REGARDING TAXES OR BONDS.

3-33 (a) The district may issue, without an election, bonds and other
3-34 obligations secured by:

3-35 (1) revenue other than ad valorem taxes; or

3-36 (2) contract payments described by Section 7893.0403.

3-37 (b) The district must hold an election in the manner
3-38 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-39 before the district may impose an ad valorem tax or issue bonds
3-40 payable from ad valorem taxes.

3-41 (c) The district may not issue bonds payable from ad valorem
3-42 taxes to finance a road project unless the issuance is approved by a
3-43 vote of a two-thirds majority of the district voters voting at an
3-44 election held for that purpose.

3-45 Sec. 7893.0402. OPERATION AND MAINTENANCE TAX. (a) If

3-46 authorized at an election held under Section 7893.0401, the
3-47 district may impose an operation and maintenance tax on taxable
3-48 property in the district in accordance with Section 49.107, Water
3-49 Code.

3-50 (b) The board shall determine the tax rate. The rate may not
3-51 exceed the rate approved at the election.

3-52 Sec. 7893.0403. CONTRACT TAXES. (a) In accordance with

3-53 Section 49.108, Water Code, the district may impose a tax other than
3-54 an operation and maintenance tax and use the revenue derived from
3-55 the tax to make payments under a contract after the provisions of
3-56 the contract have been approved by a majority of the district voters
3-57 voting at an election held for that purpose.

3-58 (b) A contract approved by the district voters may contain a
3-59 provision stating that the contract may be modified or amended by
3-60 the board without further voter approval.

3-61 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-62 Sec. 7893.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-63 OBLIGATIONS. The district may issue bonds or other obligations
3-64 payable wholly or partly from ad valorem taxes, impact fees,
3-65 revenue, contract payments, grants, or other district money, or any
3-66 combination of those sources, to pay for any authorized district
3-67 purpose.

3-68 Sec. 7893.0502. TAXES FOR BONDS. At the time the district
3-69 issues bonds payable wholly or partly from ad valorem taxes, the

4-1 board shall provide for the annual imposition of a continuing
4-2 direct ad valorem tax, without limit as to rate or amount, while all
4-3 or part of the bonds are outstanding as required and in the manner
4-4 provided by Sections 54.601 and 54.602, Water Code.

4-5 Sec. 7893.0503. BONDS FOR ROAD PROJECTS. At the time of
4-6 issuance, the total principal amount of bonds or other obligations
4-7 issued or incurred to finance road projects and payable from ad
4-8 valorem taxes may not exceed one-fourth of the assessed value of the
4-9 real property in the district.

4-10 SECTION 3. Chapter 624, Acts of the 62nd Legislature,
4-11 Regular Session, 1971, is repealed.

4-12 SECTION 4. The Harris-Liberty Counties Municipal Utility
4-13 District No. 1 retains all rights, powers, privileges, authority,
4-14 duties, and functions that the May Public Utility District had
4-15 before the effective date of this Act, except as otherwise
4-16 expressly provided by Chapter 7893, Special District Local Laws
4-17 Code, as added by this Act.

4-18 SECTION 5. (a) The legislature validates and confirms all
4-19 governmental acts and proceedings of the May Public Utility
4-20 District that were taken before the effective date of this Act.

4-21 (b) This section does not apply to any matter that on the
4-22 effective date of this Act:

4-23 (1) is involved in litigation if the litigation
4-24 ultimately results in the matter being held invalid by a final court
4-25 judgment; or

4-26 (2) has been held invalid by a final court judgment.

4-27 SECTION 6. (a) The legal notice of the intention to
4-28 introduce this Act, setting forth the general substance of this
4-29 Act, has been published as provided by law, and the notice and a
4-30 copy of this Act have been furnished to all persons, agencies,
4-31 officials, or entities to which they are required to be furnished
4-32 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4-33 Government Code.

4-34 (b) The governor, one of the required recipients, has
4-35 submitted the notice and Act to the Texas Commission on
4-36 Environmental Quality.

4-37 (c) The Texas Commission on Environmental Quality has filed
4-38 its recommendations relating to this Act with the governor, the
4-39 lieutenant governor, and the speaker of the house of
4-40 representatives within the required time.

4-41 (d) All requirements of the constitution and laws of this
4-42 state and the rules and procedures of the legislature with respect
4-43 to the notice, introduction, and passage of this Act are fulfilled
4-44 and accomplished.

4-45 (e) The general law relating to consent by political
4-46 subdivisions to the creation of districts with conservation,
4-47 reclamation, and road powers and the inclusion of land in those
4-48 districts has been complied with.

4-49 SECTION 7. (a) If this Act does not receive a two-thirds
4-50 vote of all the members elected to each house, Subchapter C, Chapter
4-51 7893, Special District Local Laws Code, as added by Section 2 of
4-52 this Act, is amended by adding Section 7893.0307 to read as follows:

4-53 Sec. 7893.0307. NO EMINENT DOMAIN POWER. The district may
4-54 not exercise the power of eminent domain.

4-55 (b) This section is not intended to be an expression of a
4-56 legislative interpretation of the requirements of Section 17(c),
4-57 Article I, Texas Constitution.

4-58 SECTION 8. This Act takes effect immediately if it receives
4-59 a vote of two-thirds of all the members elected to each house, as
4-60 provided by Section 39, Article III, Texas Constitution. If this
4-61 Act does not receive the vote necessary for immediate effect, this
4-62 Act takes effect September 1, 2019.

4-63 * * * * *