

By: Creighton

S.B. No. 2540

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.

1       Sec. 8042.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section  
3 8042.0103 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 8042.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

8       (a) The district is created to serve a public purpose and benefit.

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

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

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

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

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

23           (1) organization, existence, or validity;

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

27           (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

14           (b) Temporary directors serve until the earlier of:

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

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

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

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

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

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

8                   SUBCHAPTER C. POWERS AND DUTIES

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

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

17       Sec. 8042.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

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

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

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

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

15               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

19               (1) revenue other than ad valorem taxes; or

20               (2) contract payments described by Section 8042.0403.

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

25       (c) The district may not issue bonds payable from ad valorem  
26 taxes to finance a road project unless the issuance is approved by a  
27 vote of a two-thirds majority of the district voters voting at an

1 election held for that purpose.

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

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

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

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

18 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

25 Sec. 8042.0502. TAXES FOR BONDS. At the time the district  
26 issues bonds payable wholly or partly from ad valorem taxes, the  
27 board shall provide for the annual imposition of a continuing

1 direct ad valorem tax, without limit as to rate or amount, while all  
2 or part of the bonds are outstanding as required and in the manner  
3 provided by Sections 54.601 and 54.602, Water Code.

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

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

12 Description of a 187.1135 acre tract of land situated in the  
13 Chambers County School Land Survey, Abstract 321, Chambers County,  
14 Texas and being all of that certain 5.7270 acres described in Deed  
15 for undivided interest from Gregory Angel, Trustee, to Montgomery  
16 Jett Angel Trust dated October 30, 2018 and recorded under County  
17 Clerk's File #2018-137473 of the Official Public Records of  
18 Chambers County, Texas; all of the residue of that certain called  
19 154.072 acres (Tract 3) conveyed by Chambers Grand Parkway  
20 Development, Ltd. to Park Block, Ltd. by Correction Warranty Deed  
21 dated November 16, 2009 and recorded in Volume 1161 at Page 209 of  
22 the Official Public Records of Chambers County, Texas; all of that  
23 certain called 41.7490 acres conveyed by Park Block, Ltd. to The  
24 Noor Foundation by Correction Deed dated April 30, 2018 and  
25 recorded under County Clerk's File #2018-131695 of the Official  
26 Public Records of Chambers County, Texas; and all of that certain  
27 27.497 acres conveyed by Mrs. Annie Pauline Miller to Harry W.

1 Freeman, Trustee, by Deed dated February 1, 1956 and recorded under  
2 Volume 173 at Page 303 of the Deed Records of Chambers County, Texas  
3 (now carried in the name of Family Interests, Ltd. on tax roll).  
4 This 187.1135 acres is more particularly described by the following  
5 metes and bounds, to-wit:

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

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

26 Thence: Along and around said curve to the right, in an  
27 Southeasterly direction, along the Southernmost East line of this



1 tract, the East line of said 154.072 acres, a West line of said  
2 40.323 acres and the West right-of-way line of said State Highway  
3 99, said curve having a radius of 1110.92 feet, a central angle of  
4 28°44'53" and a chord bearing and distance of South 61°49'04" East  
5 551.57 feet, for an arc length of 557.40 feet to a point for the  
6 TERMINATION POINT of said curve.

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

12       Thence: Along and around said curve to the right, in a  
13 Southerly direction, along the Southernmost East line of this  
14 tract, the East line of said 154.072 acres, the East line of said  
15 41.7490 acres, the Southernmost West line of said 40.323 acres and  
16 the West right-of-way line of said State Highway 99, said curve  
17 having a radius of 2664.77 feet, a central angle of 57°06'14", a  
18 chord bearing and distance of South 01°14'09" West 2547.28 feet, for  
19 an arc length of 2655.85 feet to a point in the South line of said  
20 Chambers County School Land Survey and the North line of the Jacob  
21 Townsend Survey, Abstract 25, Chambers County, Texas. Said point  
22 being in the North line of that certain called 92.3102 acres  
23 conveyed by Joseph Kilgore Heirs to Kilgore Business, LLC by Deed  
24 dated June 30, 2016 and recorded in Volume 1663 at Page 649 of the  
25 Official Public Records of Chambers County, Texas and being the  
26 Southeast corner of this tract, the Southeast corner of said  
27 41.7490 acres and the Southwest corner of said 40.323 acres.

1           Thence: South 87°32'17" West along the Easternmost South line  
2 of this tract, the South line of said Chambers County School Land  
3 Survey, the South line of said 41.7490 acres, the South line of said  
4 154.072 acres, the North line of said 92.3102 acres and the North  
5 line of said Townsend Survey for a distance of 945.19 feet to a  
6 point for the Southernmost Southwest corner of this tract, the  
7 Southwest corner of said 41.7490 acres, the Southernmost Southwest  
8 corner of said 154.072 acres and the Southeast corner of that  
9 certain called 32.10 acres conveyed by Gordon W. Speer to Speer  
10 Properties, Inc. by Deed dated February 28, 2002 and recorded in  
11 Volume 549 at Page 766 of the Official Public Records of Chambers  
12 County, Texas.

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

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

1 said 1.9821 acres.

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

9           Thence: Continue North 02°27'43" West along the Westernmost  
10 West line of this tract, the Westernmost West line of said 154.072  
11 acres, the West line of said 27.497 acres, the East line of said  
12 4.391 acres and the East line of that certain called 1.49 acres  
13 conveyed by Mrs. Eleanore Collier, et al, to United Gas Pipe Line  
14 Company by Deed dated December 24, 1954 and recorded in Volume 163  
15 at Page 459 of the Deed Records of Chambers County, Texas, for a  
16 distance of 1086.56 feet to a point for the Westernmost Northwest  
17 corner of this tract, the Northwest corner of said 27.497 acres and  
18 the Southwest corner of that certain called 20.98 acres conveyed by  
19 Betty Stubbs McCune to Frank B. McCune in Cause #3127 of the Probate  
20 Records of Chambers County, Texas.

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

26           Thence: Continue North 87°37'17" East along the Westernmost  
27 North line of this tract, the Westernmost North line of said 154.072

1 acres and the South line of said 20.98 acres for a distance of  
2 123.63 feet to a point for an interior corner of this tract, an  
3 interior corner of said 154.072 acres and the Southeast corner of  
4 said 20.98 acres.

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

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

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

25       Thence: North 82°20'19" East along the Northernmost North  
26 line of this tract, the North line of said 5.7270 acres and the  
27 South right-of-way line of said Interstate Highway No. 10 for a

1 distance of 608.09 feet to the PLACE OF BEGINNING and containing  
2 within these boundaries 187.1135 acres or 8,150,665 square feet of  
3 land.

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

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

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

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

22 SECTION 4. (a) If this Act does not receive a two-thirds  
23 vote of all the members elected to each house, Subchapter C, Chapter  
24 8042, Special District Local Laws Code, as added by Section 1 of  
25 this Act, is amended by adding Section 8042.0306 to read as follows:

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

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

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