

1 AN ACT

2 relating to the creation of the Lone Oak Farm Municipal Utility
3 District; providing authority to issue bonds; providing authority
4 to impose assessments, fees, and taxes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle E, Title 6, Special District Local Laws
7 Code, is amended by adding Chapter 7888 to read as follows:

8 CHAPTER 7888. LONE OAK FARM MUNICIPAL UTILITY DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 7888.0101. DEFINITIONS. In this chapter:

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

12 (2) "Commission" means the Texas Commission on
13 Environmental Quality.

14 (3) "Director" means a board member.

15 (4) "District" means the Lone Oak Farm Municipal
16 Utility District.

17 Sec. 7888.0102. NATURE OF DISTRICT. The district is a
18 municipal utility district created under Section 59, Article XVI,
19 Texas Constitution.

20 Sec. 7888.0103. CONFIRMATION AND DIRECTOR ELECTION
21 REQUIRED. The temporary directors shall hold an election to
22 confirm the creation of the district and to elect five permanent
23 directors as provided by Section 49.102, Water Code.

24 Sec. 7888.0104. CONSENT OF MUNICIPALITY REQUIRED. The

1 temporary directors may not hold an election under Section
2 7888.0103 until each municipality in whose corporate limits or
3 extraterritorial jurisdiction the district is located has
4 consented by ordinance or resolution to the creation of the
5 district and to the inclusion of land in the district.

6 Sec. 7888.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

15 Sec. 7888.0106. INITIAL DISTRICT TERRITORY. (a) The
16 district is initially composed of the territory described by
17 Section 2 of the Act enacting this chapter.

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

22 (1) organization, existence, or validity;

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

26 (3) right to impose a tax; or

27 (4) legality or operation.

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 7888.0201. GOVERNING BODY; TERMS. (a) The district
3 is governed by a board of five elected directors.

4 (b) Except as provided by Section 7888.0202, directors
5 serve staggered four-year terms.

6 Sec. 7888.0202. TEMPORARY DIRECTORS. (a) On or after
7 September 1, 2019, the owner or owners of a majority of the assessed
8 value of the real property in the district may submit a petition to
9 the commission requesting that the commission appoint as temporary
10 directors the five persons named in the petition. The commission
11 shall appoint as temporary directors the five persons named in the
12 petition.

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

14 (1) the date permanent directors are elected under
15 Section 7888.0103; or

16 (2) September 1, 2023.

17 (c) If permanent directors have not been elected under
18 Section 7888.0103 and the terms of the temporary directors have
19 expired, successor temporary directors shall be appointed or
20 reappointed as provided by Subsection (d) to serve terms that
21 expire on the earlier of:

22 (1) the date permanent directors are elected under
23 Section 7888.0103; or

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

26 (d) If Subsection (c) applies, the owner or owners of a
27 majority of the assessed value of the real property in the district

1 may submit a petition to the commission requesting that the
2 commission appoint as successor temporary directors the five
3 persons named in the petition. The commission shall appoint as
4 successor temporary directors the five persons named in the
5 petition.

6 SUBCHAPTER C. POWERS AND DUTIES

7 Sec. 7888.0301. GENERAL POWERS AND DUTIES. The district
8 has the powers and duties necessary to accomplish the purposes for
9 which the district is created.

10 Sec. 7888.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
11 DUTIES. The district has the powers and duties provided by the
12 general law of this state, including Chapters 49 and 54, Water Code,
13 applicable to municipal utility districts created under Section 59,
14 Article XVI, Texas Constitution.

15 Sec. 7888.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
16 52, Article III, Texas Constitution, the district may design,
17 acquire, construct, finance, issue bonds for, improve, operate,
18 maintain, and convey to this state, a county, or a municipality for
19 operation and maintenance macadamized, graveled, or paved roads, or
20 improvements, including storm drainage, in aid of those roads.

21 Sec. 7888.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
22 road project must meet all applicable construction standards,
23 zoning and subdivision requirements, and regulations of each
24 municipality in whose corporate limits or extraterritorial
25 jurisdiction the road project is located.

26 (b) If a road project is not located in the corporate limits
27 or extraterritorial jurisdiction of a municipality, the road

1 project must meet all applicable construction standards,
2 subdivision requirements, and regulations of each county in which
3 the road project is located.

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

7 Sec. 7888.0305. COMPLIANCE WITH MUNICIPAL CONSENT
8 ORDINANCE OR RESOLUTION. The district shall comply with all
9 applicable requirements of any ordinance or resolution that is
10 adopted under Section 54.016 or 54.0165, Water Code, and that
11 consents to the creation of the district or to the inclusion of land
12 in the district.

13 Sec. 7888.0306. NO EMINENT DOMAIN POWER. The district may
14 not exercise the power of eminent domain.

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 7888.0401. ELECTIONS REGARDING TAXES OR BONDS.

17 (a) 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 7888.0403.

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. 7888.0402. OPERATION AND MAINTENANCE TAX. (a) If
3 authorized at an election held under Section 7888.0401, 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. 7888.0403. 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. 7888.0501. 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. 7888.0502. 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. 7888.0503. 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 Lone Oak Farm Municipal Utility District
10 initially includes all the territory contained in the following
11 area:

12 BEING approximately 204.889 Acres, situated in the A. M.
13 Esnaurizar Survey, Abstract Number 20, Guadalupe County, Texas,
14 being a portion of a 125.3 Acres, called First Tract and 80.7 Acres,
15 called Second Tract, described in a Deed to Louis C. Heinemeyer and
16 wife, Annie Heinemeyer, as recorded in Volume 234, Page 559 of the
17 Official Public Records of Guadalupe County, Texas; said 204.889
18 Acres being more fully described by metes and bounds as follows;

19 Beginning, at a 1/2 Inch Iron Rod found, on the South
20 Right-of-Way line of Texas F M 758, the Northwest corner of Lot 1,
21 Karens Park Subdivision, as recorded in Volume 7, Page 16 of the Map
22 and Plat Records of Guadalupe County, Texas, the East line of the
23 said 125.3 Acre tract, for the Northeast corner of this tract;

24 Thence, South 0°36'52" East, departing the said South
25 Right-of-Way, with the East line of the said 125.3 Acre tract, at
26 1601.04 Feet, pass a 1 Inch Iron Pipe Found, 0.68 feet Right of
27 line, in all 4780.09 Feet, to a 1/2 Inch Iron Rod, with Orange

1 Plastic Cap stamped "Urban Civil" set, on the apparent North
2 Right-of-Way of Harborth Road (also known as Guadalupe County Road
3 Number 125), for the Southeast corner of this tract, from whence a
4 1/2 Inch Iron Rod found, for the Southwest corner of a 6.088 acre
5 tract, described in a Deed from Vicki S. Hartwick to Lori
6 Katcsmorak, as recorded in Volume 4178, Page 816 of the said
7 Official Public Records, bears North 89°38'09" East, 669.57 Feet;

8 Thence, North 89°06'52" West, with the said apparent North
9 Right-of-Way, 1138.89 Feet, to a 1/2 Inch Iron Rod, with Orange
10 Plastic Cap stamped "Urban Civil" set, on the East line of the said
11 80.7 Acre tract, the West line of the said 125.3 Acre tract, for a
12 corner of this tract;

13 Thence, North 88°47'14" West, continuing with the said
14 apparent North Right-of-Way, at 179.26 feet, pass a 1/2 Inch Iron
15 Rod found, 39.85 feet, Left of line, for a Northeast corner of a
16 36.8145 Acre tract, described in a Deed from Norman B. Harborth and
17 Maxine Harborth to The Norman B. Harborth and Maxine Harborth
18 Revocable Living Trust, as recorded in Volume 2464, Page 457 of the
19 said Official Public Records, in all 736.07 Feet, to a 1/2 Inch
20 Iron Rod, with Orange Plastic Cap stamped "Urban Civil" set, in the
21 West line of the said 80.7 acre tract, for the Southwest corner of
22 this tract, from whence, a 1/2 Inch Iron Rod found on the South
23 Right-of-Way line of the said Harborth Rd. bears South 1°30'29"
24 West, 39.74 Feet;

25 Thence, North 00°40'10" West, with the West line of the said
26 80.7 Acre tract, at 122.19 Feet, pass a 1/2 Inch Iron Rod found,
27 25.26 Feet, Left of line, for the Northeast corner of a 1.00 Acre

1 tract, described in a deed from Walter Harborth and wife, Martha
2 Harborth to Norman Harborth, as recorded in Volume 308, Page 150 of
3 the said Official Public Records, in all 1821.25 Feet, to a 3 Inch
4 Steel Pipe Fence Corner Post found, for the Southeast corner of a
5 46.7252 Acre tract, described in a Deed from Roger Lee Bormann,
6 Brenda K. Varna and Audrey Diane Bormann to David Lehmborg and wife,
7 Lori Gayle Lehmborg, as recorded in Volume 2785, Page 109 of the
8 said Official Public Records, a corner of this tract;

9 Thence, North 00°46'04" West, with the East line of the said
10 46.7252 Acre tract, the West line of the said 80.7 Acre tract,
11 2901.00 Feet, to a 1/2 Inch Iron Rod, with Orange Plastic Cap
12 stamped "Urban Civil" set, on the South Right-of-Way of the said
13 Texas F M 758, for the Northwest corner of this tract, from whence,
14 a 1/2 Inch Iron Rod found for the Northwest corner of a 42.0449 Acre
15 tract, described in a Deed from Nelson Bormann to Bartoskewitz Farm
16 Foundation, as recorded in Volume 2803, Page 363 of the said
17 Official Public Records, bears South 89°14'45" West, 1333.00 Feet;

18 Thence, North 89°14'45" East, with the said South
19 Right-of-Way, 1883.74 Feet, to the Point of Beginning, containing
20 204.889 Acres (8,924,975 Square Feet) of Land, more or less.

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

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

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

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

12 SECTION 4. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2558 passed the Senate on May 9, 2019, by the following vote: Yeas 29, Nays 2.

Secretary of the Senate

I hereby certify that S.B. No. 2558 passed the House on May 22, 2019, by the following vote: Yeas 120, Nays 24, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor