

1-1 By: Zaffirini S.B. No. 2558
 1-2 (In the Senate - Filed May 1, 2019; May 2, 2019, read first
 1-3 time and referred to Committee on Intergovernmental Relations;
 1-4 May 6, 2019, reported favorably by the following vote: Yeas 7,
 1-5 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 Lone Oak Farm Municipal Utility
 1-18 District; providing authority to issue bonds; providing authority
 1-19 to impose assessments, fees, and taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle E, Title 6, Special District Local Laws
 1-22 Code, is amended by adding Chapter 7888 to read as follows:

1-23 CHAPTER 7888. LONE OAK FARM MUNICIPAL UTILITY DISTRICT

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 7888.0101. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the district's board of directors.

1-27 (2) "Commission" means the Texas Commission on
 1-28 Environmental Quality.

1-29 (3) "Director" means a board member.

1-30 (4) "District" means the Lone Oak Farm Municipal
 1-31 Utility District.

1-32 Sec. 7888.0102. NATURE OF DISTRICT. The district is a
 1-33 municipal utility district created under Section 59, Article XVI,
 1-34 Texas Constitution.

1-35 Sec. 7888.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-36 REQUIRED. The temporary directors shall hold an election to
 1-37 confirm the creation of the district and to elect five permanent
 1-38 directors as provided by Section 49.102, Water Code.

1-39 Sec. 7888.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-40 temporary directors may not hold an election under Section
 1-41 7888.0103 until each municipality in whose corporate limits or
 1-42 extraterritorial jurisdiction the district is located has
 1-43 consented by ordinance or resolution to the creation of the
 1-44 district and to the inclusion of land in the district.

1-45 Sec. 7888.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-46 (a) The district is created to serve a public purpose and benefit.

1-47 (b) The district is created to accomplish the 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. 7888.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-55 district is initially composed of the territory described by
 1-56 Section 2 of the Act enacting this chapter.

1-57 (b) The boundaries and field notes contained in Section 2 of
 1-58 the Act enacting this chapter form a closure. A mistake made in the
 1-59 field notes or in copying the field notes in the legislative process
 1-60 does not affect the district's:

1-61 (1) organization, existence, or validity;

1-62 (2) right to issue any type of bond for the purposes

2-1 for which the district is created or to pay the principal of and
2-2 interest on a bond;
2-3 (3) right to impose a tax; or
2-4 (4) legality or operation.

2-5 SUBCHAPTER B. BOARD OF DIRECTORS

2-6 Sec. 7888.0201. GOVERNING BODY; TERMS. (a) The district
2-7 is governed by a board of five elected directors.

2-8 (b) Except as provided by Section 7888.0202, directors
2-9 serve staggered four-year terms.

2-10 Sec. 7888.0202. TEMPORARY DIRECTORS. (a) On or after
2-11 September 1, 2019, the owner or owners of a majority of the assessed
2-12 value of the real property in the district may submit a petition to
2-13 the commission requesting that the commission appoint as temporary
2-14 directors the five persons named in the petition. The commission
2-15 shall appoint as temporary directors the five persons named in the
2-16 petition.

2-17 (b) Temporary directors serve until the earlier of:

2-18 (1) the date permanent directors are elected under
2-19 Section 7888.0103; or

2-20 (2) September 1, 2023.

2-21 (c) If permanent directors have not been elected under
2-22 Section 7888.0103 and the terms of the temporary directors have
2-23 expired, successor temporary directors shall be appointed or
2-24 reappointed as provided by Subsection (d) to serve terms that
2-25 expire on the earlier of:

2-26 (1) the date permanent directors are elected under
2-27 Section 7888.0103; or

2-28 (2) the fourth anniversary of the date of the
2-29 appointment or reappointment.

2-30 (d) If Subsection (c) applies, the owner or owners of a
2-31 majority of the assessed value of the real property in the district
2-32 may submit a petition to the commission requesting that the
2-33 commission appoint as successor temporary directors the five
2-34 persons named in the petition. The commission shall appoint as
2-35 successor temporary directors the five persons named in the
2-36 petition.

2-37 SUBCHAPTER C. POWERS AND DUTIES

2-38 Sec. 7888.0301. GENERAL POWERS AND DUTIES. The district
2-39 has the powers and duties necessary to accomplish the purposes for
2-40 which the district is created.

2-41 Sec. 7888.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
2-42 DUTIES. The district has the powers and duties provided by the
2-43 general law of this state, including Chapters 49 and 54, Water Code,
2-44 applicable to municipal utility districts created under Section 59,
2-45 Article XVI, Texas Constitution.

2-46 Sec. 7888.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
2-47 52, Article III, Texas Constitution, the district may design,
2-48 acquire, construct, finance, issue bonds for, improve, operate,
2-49 maintain, and convey to this state, a county, or a municipality for
2-50 operation and maintenance macadamized, graveled, or paved roads, or
2-51 improvements, including storm drainage, in aid of those roads.

2-52 Sec. 7888.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-53 road project must meet all applicable construction standards,
2-54 zoning and subdivision requirements, and regulations of each
2-55 municipality in whose corporate limits or extraterritorial
2-56 jurisdiction the road project is located.

2-57 (b) If a road project is not located in the corporate limits
2-58 or extraterritorial jurisdiction of a municipality, the road
2-59 project must meet all applicable construction standards,
2-60 subdivision requirements, and regulations of each county in which
2-61 the road project is located.

2-62 (c) If the state will maintain and operate the road, the
2-63 Texas Transportation Commission must approve the plans and
2-64 specifications of the road project.

2-65 Sec. 7888.0305. COMPLIANCE WITH MUNICIPAL CONSENT
2-66 ORDINANCE OR RESOLUTION. The district shall comply with all
2-67 applicable requirements of any ordinance or resolution that is
2-68 adopted under Section 54.016 or 54.0165, Water Code, and that
2-69 consents to the creation of the district or to the inclusion of land

3-1 in the district.
3-2 Sec. 7888.0306. NO EMINENT DOMAIN POWER. The district may
3-3 not exercise the power of eminent domain.

3-4 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-5 Sec. 7888.0401. ELECTIONS REGARDING TAXES OR BONDS.
3-6 (a) The district may issue, without an election, bonds and other
3-7 obligations secured by:

- 3-8 (1) revenue other than ad valorem taxes; or
- 3-9 (2) contract payments described by Section 7888.0403.

3-10 (b) The district must hold an election in the manner
3-11 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-12 before the district may impose an ad valorem tax or issue bonds
3-13 payable from ad valorem taxes.

3-14 (c) The district may not issue bonds payable from ad valorem
3-15 taxes to finance a road project unless the issuance is approved by a
3-16 vote of a two-thirds majority of the district voters voting at an
3-17 election held for that purpose.

3-18 Sec. 7888.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-19 authorized at an election held under Section 7888.0401, the
3-20 district may impose an operation and maintenance tax on taxable
3-21 property in the district in accordance with Section 49.107, Water
3-22 Code.

3-23 (b) The board shall determine the tax rate. The rate may not
3-24 exceed the rate approved at the election.

3-25 Sec. 7888.0403. CONTRACT TAXES. (a) In accordance with
3-26 Section 49.108, Water Code, the district may impose a tax other than
3-27 an operation and maintenance tax and use the revenue derived from
3-28 the tax to make payments under a contract after the provisions of
3-29 the contract have been approved by a majority of the district voters
3-30 voting at an election held for that purpose.

3-31 (b) A contract approved by the district voters may contain a
3-32 provision stating that the contract may be modified or amended by
3-33 the board without further voter approval.

3-34 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-35 Sec. 7888.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-36 OBLIGATIONS. The district may issue bonds or other obligations
3-37 payable wholly or partly from ad valorem taxes, impact fees,
3-38 revenue, contract payments, grants, or other district money, or any
3-39 combination of those sources, to pay for any authorized district
3-40 purpose.

3-41 Sec. 7888.0502. TAXES FOR BONDS. At the time the district
3-42 issues bonds payable wholly or partly from ad valorem taxes, the
3-43 board shall provide for the annual imposition of a continuing
3-44 direct ad valorem tax, without limit as to rate or amount, while all
3-45 or part of the bonds are outstanding as required and in the manner
3-46 provided by Sections 54.601 and 54.602, Water Code.

3-47 Sec. 7888.0503. BONDS FOR ROAD PROJECTS. At the time of
3-48 issuance, the total principal amount of bonds or other obligations
3-49 issued or incurred to finance road projects and payable from ad
3-50 valorem taxes may not exceed one-fourth of the assessed value of the
3-51 real property in the district.

3-52 SECTION 2. The Lone Oak Farm Municipal Utility District
3-53 initially includes all the territory contained in the following
3-54 area:

3-55 BEING approximately 204.889 Acres, situated in the A. M.
3-56 Esnaurizar Survey, Abstract Number 20, Guadalupe County, Texas,
3-57 being a portion of a 125.3 Acres, called First Tract and 80.7 Acres,
3-58 called Second Tract, described in a Deed to Louis C. Heinemeyer and
3-59 wife, Annie Heinemeyer, as recorded in Volume 234, Page 559 of the
3-60 Official Public Records of Guadalupe County, Texas; said 204.889
3-61 Acres being more fully described by metes and bounds as follows;

3-62 Beginning, at a 1/2 Inch Iron Rod found, on the South
3-63 Right-of-Way line of Texas F M 758, the Northwest corner of Lot 1,
3-64 Karens Park Subdivision, as recorded in Volume 7, Page 16 of the Map
3-65 and Plat Records of Guadalupe County, Texas, the East line of the
3-66 said 125.3 Acre tract, for the Northeast corner of this tract;

3-67 Thence, South 0°36'52" East, departing the said South
3-68 Right-of-Way, with the East line of the said 125.3 Acre tract, at
3-69 1601.04 Feet, pass a 1 Inch Iron Pipe Found, 0.68 feet Right of

4-1 line, in all 4780.09 Feet, to a 1/2 Inch Iron Rod, with Orange
4-2 Plastic Cap stamped "Urban Civil" set, on the apparent North
4-3 Right-of-Way of Harborth Road (also known as Guadalupe County Road
4-4 Number 125), for the Southeast corner of this tract, from whence a
4-5 1/2 Inch Iron Rod found, for the Southwest corner of a 6.088 acre
4-6 tract, described in a Deed from Vicki S. Hartwick to Lori
4-7 Katcsmorak, as recorded in Volume 4178, Page 816 of the said
4-8 Official Public Records, bears North 89°38'09" East, 669.57 Feet;

4-9 Thence, North 89°06'52" West, with the said apparent North
4-10 Right-of-Way, 1138.89 Feet, to a 1/2 Inch Iron Rod, with Orange
4-11 Plastic Cap stamped "Urban Civil" set, on the East line of the said
4-12 80.7 Acre tract, the West line of the said 125.3 Acre tract, for a
4-13 corner of this tract;

4-14 Thence, North 88°47'14" West, continuing with the said
4-15 apparent North Right-of-Way, at 179.26 feet, pass a 1/2 Inch Iron
4-16 Rod found, 39.85 feet, Left of line, for a Northeast corner of a
4-17 36.8145 Acre tract, described in a Deed from Norman B. Harborth and
4-18 Maxine Harborth to The Norman B. Harborth and Maxine Harborth
4-19 Revocable Living Trust, as recorded in Volume 2464, Page 457 of the
4-20 said Official Public Records, in all 736.07 Feet, to a 1/2 Inch
4-21 Iron Rod, with Orange Plastic Cap stamped "Urban Civil" set, in the
4-22 West line of the said 80.7 acre tract, for the Southwest corner of
4-23 this tract, from whence, a 1/2 Inch Iron Rod found on the South
4-24 Right-of-Way line of the said Harborth Rd. bears South 1°30'29"
4-25 West, 39.74 Feet;

4-26 Thence, North 00°40'10" West, with the West line of the said
4-27 80.7 Acre tract, at 122.19 Feet, pass a 1/2 Inch Iron Rod found,
4-28 25.26 Feet, Left of line, for the Northeast corner of a 1.00 Acre
4-29 tract, described in a deed from Walter Harborth and wife, Martha
4-30 Harborth to Norman Harborth, as recorded in Volume 308, Page 150 of
4-31 the said Official Public Records, in all 1821.25 Feet, to a 3 Inch
4-32 Steel Pipe Fence Corner Post found, for the Southeast corner of a
4-33 46.7252 Acre tract, described in a Deed from Roger Lee Bormann,
4-34 Brenda K. Varna and Audrey Diane Bormann to David Lehmborg and wife,
4-35 Lori Gayle Lehmborg, as recorded in Volume 2785, Page 109 of the
4-36 said Official Public Records, a corner of this tract;

4-37 Thence, North 00°46'04" West, with the East line of the said
4-38 46.7252 Acre tract, the West line of the said 80.7 Acre tract,
4-39 2901.00 Feet, to a 1/2 Inch Iron Rod, with Orange Plastic Cap
4-40 stamped "Urban Civil" set, on the South Right-of-Way of the said
4-41 Texas F M 758, for the Northwest corner of this tract, from whence,
4-42 a 1/2 Inch Iron Rod found for the Northwest corner of a 42.0449 Acre
4-43 tract, described in a Deed from Nelson Bormann to Bartoskewitz Farm
4-44 Foundation, as recorded in Volume 2803, Page 363 of the said
4-45 Official Public Records, bears South 89°14'45" West, 1333.00 Feet;

4-46 Thence, North 89°14'45" East, with the said South
4-47 Right-of-Way, 1883.74 Feet, to the Point of Beginning, containing
4-48 204.889 Acres (8,924,975 Square Feet) of Land, more or less.

4-49 SECTION 3. (a) The legal notice of the intention to
4-50 introduce this Act, setting forth the general substance of this
4-51 Act, has been published as provided by law, and the notice and a
4-52 copy of this Act have been furnished to all persons, agencies,
4-53 officials, or entities to which they are required to be furnished
4-54 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4-55 Government Code.

4-56 (b) The governor, one of the required recipients, has
4-57 submitted the notice and Act to the Texas Commission on
4-58 Environmental Quality.

4-59 (c) The Texas Commission on Environmental Quality has filed
4-60 its recommendations relating to this Act with the governor, the
4-61 lieutenant governor, and the speaker of the house of
4-62 representatives within the required time.

4-63 (d) All requirements of the constitution and laws of this
4-64 state and the rules and procedures of the legislature with respect
4-65 to the notice, introduction, and passage of this Act are fulfilled
4-66 and accomplished.

4-67 SECTION 4. This Act takes effect September 1, 2019.