By:  Bailes (Senate Sponsor - Schwertner) H.B. No. 4658

(In the Senate - Received from the House May 17, 2021; May 17, 2021, read first time and referred to Committee on Local Government; May 22, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 0; May 22, 2021, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Menéndez          X

Eckhardt                    X

Gutierrez                   X

Hall              X

Nichols           X

Paxton            X

Springer          X

Zaffirini         X

COMMITTEE SUBSTITUTE FOR H.B. No. 4658 By:  Springer

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Huntsville Municipal Utility District No. 1 of Walker County, Texas; 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 7935A to read as follows:

CHAPTER 7935A.  HUNTSVILLE MUNICIPAL UTILITY DISTRICT NO. 1 OF WALKER COUNTY, TEXAS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7935A.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 Huntsville Municipal Utility District No. 1 of Walker County, Texas.

Sec. 7935A.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7935A.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.

Sec. 7935A.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7935A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 7935A.0105.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 7935A.0106.  INITIAL DISTRICT TERRITORY. (a) The 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. 7935A.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b)  Except as provided by Section 7935A.0202, directors serve staggered four-year terms.

Sec. 7935A.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 7935A.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 7935A.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 7935A.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. 7935A.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7935A.0302.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7935A.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. 7935A.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, 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. 7935A.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 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7935A.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 7935A.0403.

(b)  The district must hold an election in the manner provided by Chapters 49 and 54, 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. 7935A.0402.  OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7935A.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. 7935A.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. 7935A.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. 7935A.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 Sections 54.601 and 54.602, Water Code.

Sec. 7935A.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.

SECTION 2.  The Huntsville Municipal Utility District No. 1 of Walker County, Texas, initially includes all the territory contained in the following area:

A METES & BOUNDS description of a calculated 350.0 acre tract of land situated in the John Beauchamp Survey, Abstract No. 92, the John Hume Survey, Abstract No. 264, the W.N. Mock Survey, Abstract No. 401, and the I.&G.N. R.R. Co. Survey, Abstract No. 691, in Walker County, Texas, being all of a called 6.00 acre tract (Tract 1 – C.F. No. 201700028486) recorded in Clerk’s File No. 201700028486, Walker County Official Records, and being all of a calculated 340.0 acre tract (Tract 2 – C.F. No. 201700028487) out of a called 710.308 acre tract recorded in Clerk’s File No. 201700028487, Walker County Official Records, said calculated 350.0 acre tract being more particularly described as follows:

(Tract 1 – C.F. No. 201700028486)

Being 6.000 acres (261,338 square feet) tract of land out of the John Hume Survey, Abstract No. 264, and the John Beauchamp Survey, Abstract No. 92, Walker County Texas and being out of the Lot 3B of Amending Replat of Lot 3, Stephen H. Dawson Subdivision as recorded under Volume 6, Page 35 of the Walker County Plat Records (W.C.P.R.), Texas and being out of a called Lot 3 (18.251 acres) as conveyed to BDB Investments, a Texas General Partnership composed of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded under Document No. 200800005295 of the Walker County Deed Records (W.C.D.R.), Texas and a 0.63 acre tract (designated Tract One) and a 1.347 acre tract (designated Tract Two) as conveyed to BDB Investments, a Texas General Partnership composed of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded under Document No. 201100005893 W.C.D.R. and being more particularly described by metes and bounds as follows (with bearings referenced to Texas State Plane Coordinate System Central Zone, NAD83).

BEGINNING at a point in the south right-of-way line of Veterans Memorial Parkway (variable width as recorded in Volume 399, Page 705 W.C.D.R.) and being the northwest comer of a called 254.36 acre tract of land conveyed to Samuella W. Palmer, Trustee of the Samuella W. Palmer Trust as recorded under Document No. 200700007382 W.C.D.R. and for the northeast corner of Lot 3B of Amending Replat of Lot 3, Stephen H. Dawson Subdivision as recorded under Volume 6, Page 35 of the Walker County Plat Records (W.C.P.R.), Texas and herein described tract;

THENCE, South 03°00'42" East, 595.64 feet along the east line of Lot 3B and the west line of the called 254.36 acre tract to the northeast comer of a called 710.338 acre tract conveyed to Alexander 263, Ltd.-Baker, LP, a Texas Limited Partnership as recorded in Volume 956, Page 33 W.C.D.R., and the southeast corner of Lot 3B and for corner of the herein described tract;

THENCE, North 67°41’21" West, 61.09 feet along the north line of the called 710.338 acre tract and the south line of Lot 3B to the northeast corner of a 0.63 acre tract (designated Tract One) as conveyed to BDB Investments, a Texas General Partnership composed of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded under Document No. 201100005893 W.C.D.R. and the northwest corner of the called 710.338 acre tract and for corner of the herein described tract;

THENCE, South 22°11’28" West, 337.01 feet along the west line of the called 710.338 acre tract and the east line of the called 0.63 acre tract and a 1.347 acre tract (designated Tract Two) as conveyed to BDB Investments, a Texas General Partnership composed of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded under Document No. 201100005893 W.C.D.R. to the northeast corner of a called 0.87 acre tract conveyed to City of Huntsville as recorded under Volume 233, Page 130 W.C.D.R. and for the southeast corner of the herein described tract;

THENCE, North 67°41’34” West, 275.10 feet along the south line of the called 1.347 acre and a called 0.53 acre tract conveyed to Alejandro Zavala and Patricia Zavala, husband and wife, as recorded under Volume 433 Page 308 W.C.D.R. to a point in the east right-of-way line of Marigold Lane (formerly known as Holly Lane- 50 foot width as recorded under Volume 1, Page 18 W.C.P.R.) and for the southwest corner of the called 1.347 acre tract and the herein described tract;

THENCE, North 22°18'30" East, 337.03 feet along the east right-of-way line of Marigold Lane to a point in the south line of said Lot 3B and for the northwest corner of said called 0.63 acre tract and a corner of the herein described tract;

THENCE, North 67°41’21" West, 15.66 feet along the south line of Lot 3B to a corner of the herein described tract;

THENCE, North 16°58'02" East, 120.96 feet departing the south line of Lot 3B and through the interior of Lot 3B to an angle point;

THENCE, North 03°15'52" East, 99.24 feet to an angle point;

THENCE, North 03°02'25” West, 405.44 feet to a point in the north line of Lot 3B and the south right-of-way line of Veterans Memorial Parkway for the northwest comer of the herein described tract;

THENCE, South 68°03'04" East, 45.14 feet along the north line of Lot 3B and the south right-of-way line of Veterans Memorial Parkway to an angle point;

THENCE, South 56°16’24" East, 216.37 feet continuing along the north line of Lot 3B and the south right-of- way line of Veterans Memorial Parkway to an angle point;

THENCE, South 68°00’20" East, 56.42 feet continuing along the north line of Lot 3B and the south right-of- way line of Veterans Memorial Parkway to the POINT OF BEGINNING, CONTAINING 6.00 acres (261,338 square feet) of land in Walker County, Texas, filed in the office of Elevation Land Solutions in The Woodlands, Texas.

(Tract 2 – C.F. No. 201700028487)

A METES & BOUNDS description of a certain 344.0 acre (14,984,662 square feet) tract of land situated in the W.N. Mock Survey, Abstract No. 401, and the I.&G.N. R.R. Co. Survey, Abstract No. 691, in Walker County, Texas, being out of a called 710.308 acre tract conveyed to East Loop Investments, L.L.C. by deed recorded in Clerk’s File No. 201700028487, Walker County Official Records; said 344.0 acre (14,984,662 square feet) tract of land being more particularly described as follows with all bearings referenced to the Texas Coordinate System, Central Zone, NAD 83:

BEGINNING at a point for the northeast corner of a called 710.338 acres as conveyed to Alexander 263, Ltd-Baker, LP, a Texas Limited Partnership and recorded under Volume 956, Page 33 Walker County Deed Records and being the southeast corner of Lot 3B of Amending Replat of Lot 3 Stephen H. Dawson Subdivision as recorded under Volume 6, Page 35 of the Walker County Plat Records, Texas, and being in the west line of a called 254.36 acre tract of land conveyed to Samuella W. Palmer, Trustee of the Samuella W. Palmer Trust as recorded under Document No. 200700007382 of the Walker County Deed Records;

THENCE, South 02°44’23” East, 4171.62 feet along the east line of the called 710.338 acre tract and the west line of the called 254.36 acre tract to a point for corner in the north line of the W.N. Mock Survey, Abstract No. 401;

THENCE, South 04°00’26" East, 193.30 feet to a point for corner;

THENCE, North 87°01’45" East, 410.40 feet to a point for corner in the east line of the called 710.338 acre tract;

THENCE, South 67°56’27" East, 153.25 feet continuing along the east line of the called 710.338 acre tract to a point for corner in the west line of a called 557 acre tract described as Tract No. J12q conveyed to United States of America and recorded under Volume 82, Page 131 of the Walker County Deed Records;

THENCE, South 22°25’58” West, 3625.79 feet continuing along the east line of the called 710.338 acre tract and the west line of the called 557 acres tract to a point for corner;

THENCE, North 67°41’58” West, 3767.59 feet to a point for corner in the west line of the called 710.338 acre tract and the east line of a remainder called 200 acre tract as conveyed to Heath Branch Fishing Club Incorporated as recorded under Volume 59, Page 348 of the Walker County Deed Records;

THENCE, North 21°40’17” East, 493.49 feet along the west line of the called 710.338 acre tract and the east line of the called remainder 200 acre tract to a point for the southwest corner of a called 50 acre tract of land conveyed to Heath Branch Fishing Club Incorporated as recorded under Volume 59, Page 348 of the Walker County Deed Records and corner of the called 710.338 acre tract and hereof;

THENCE, South 66°36’33” East, 682.37 feet along the west line of the called 710.338 acre tract and the south line of the called 50 acre tract to a point for the southeast corner of the called 50 acre tract and corner of the called 710.338 acre tract and hereof;

THENCE, North 23°07’10" East, 3136.07 feet along the west line of the called 710.338 acre tract and the east line of the called 50 acre tract to a point in the south line of a called 28.161 acre tract conveyed to MBV Ventured, Ltd., a Texas limited partnership as recorded under Document No. 201300005357 of the Walker County Deed Records, the northeast corner of said called 50 acre tract and a corner of the called 710.338 acre tract and hereof;

THENCE, South 67°41’58” East, 624.76 feet along the south line of the called 28.161 acre tract and the west line of the called 710.338 acre tract to a point for the southeast corner of the called 28.161 acre tract and a corner for the 710.338 acre tract and hereof;

THENCE, North 22°11’28” East, 3786.54 feet along the west line of the called 710.338 acre tract to a point for corner in the south line of Lot 3B of the Amending Replat of Lot 3 Stephen H. Dawson Subdivision and for the northwest corner of said called 710.338 acre tract and hereof;

THENCE, South 67°41’21" East, 61.09 feet along the north line of the called 710.338 acre tract and the south line of Lot 3B to the POINT OF BEGINNING, CONTAINING 344.0 acres (14,984,662 square feet) of land in Walker County, Texas, filed in the office of Elevation Land Solutions 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) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7935A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7935A.0306 to read as follows:

Sec. 7935A.0306.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

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