

By: Bailes

H.B. No. 4658

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the Huntsville Municipal Utility
3 District No. 1 of Walker County, Texas; granting a limited power of
4 eminent domain; providing authority to issue bonds; providing
5 authority to impose assessments, fees, and taxes.

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

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws
8 Code, is amended by adding Chapter 7935A to read as follows:

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

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 7935A.0101. DEFINITIONS. In this chapter:

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

14 (2) "Commission" means the Texas Commission on
15 Environmental Quality.

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

17 (4) "District" means the Huntsville Municipal Utility
18 District No. 1 of Walker County, Texas.

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

22 Sec. 7935A.0103. CONFIRMATION AND DIRECTOR ELECTION
23 REQUIRED. The temporary directors shall hold an election to
24 confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 7935A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section
4 7935A.0103 until each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has
6 consented by ordinance or resolution to the creation of the
7 district and to the inclusion of land in the district.

8 Sec. 7935A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

17 Sec. 7935A.0106. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act enacting this chapter.

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

24 (1) organization, existence, or validity;

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

1 (3) right to impose a tax; or

2 (4) legality or operation.

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 7935A.0201. GOVERNING BODY; TERMS. (a) The district
5 is governed by a board of five elected directors.

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

8 Sec. 7935A.0202. TEMPORARY DIRECTORS. (a) On or after the
9 effective date of the Act enacting this chapter, the owner or owners
10 of a majority of the assessed value of the real property in the
11 district may submit a petition to the commission requesting that
12 the commission appoint as temporary directors the five persons
13 named in the petition. The commission shall appoint as temporary
14 directors the five persons named in the petition.

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

16 (1) the date permanent directors are elected under
17 Section 7935A.0103; or

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

20 (c) If permanent directors have not been elected under
21 Section 7935A.0103 and the terms of the temporary directors have
22 expired, successor temporary directors shall be appointed or
23 reappointed as provided by Subsection (d) to serve terms that
24 expire on the earlier of:

25 (1) the date permanent directors are elected under
26 Section 7935A.0103; or

27 (2) the fourth anniversary of the date of the

1 appointment or reappointment.

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

9 SUBCHAPTER C. POWERS AND DUTIES

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

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

18 Sec. 7935A.0303. AUTHORITY FOR ROAD PROJECTS. Under
19 Section 52, Article III, Texas Constitution, the district may
20 design, acquire, construct, finance, issue bonds for, improve,
21 operate, maintain, and convey to this state, a county, or a
22 municipality for operation and maintenance macadamized, graveled,
23 or paved roads, or improvements, including storm drainage, in aid
24 of those roads.

25 Sec. 7935A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
26 road project must meet all applicable construction standards,
27 zoning and subdivision requirements, and regulations of each

1 municipality in whose corporate limits or extraterritorial
2 jurisdiction the road project is located.

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

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

11 Sec. 7935A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
12 ORDINANCE OR RESOLUTION. The district shall comply with all
13 applicable requirements of any ordinance or resolution that is
14 adopted under Section 54.016 or 54.0165, Water Code, and that
15 consents to the creation of the district or to the inclusion of land
16 in the district.

17 Sec. 7935A.0306. EFFECT OF ANNEXATION. (a) A municipality
18 within whose extraterritorial jurisdiction the land in the district
19 lies may annex all of the district into its corporate limits under
20 the terms of an agreement entered into before the effective date of
21 the Act creating this chapter between the municipality and the
22 owners of the land being annexed, and, in that instance, the
23 district may not be dissolved, except as provided by Subsection
24 (b).

25 (b) The district may be dissolved and its debts and
26 obligations assumed by the municipality in accordance with Chapter
27 43, Local Government Code, including Sections 43.075 and 43.0715,

1 on:

2 (1) annexation of all of the territory of the district
3 by the municipality; and

4 (2) completion of the construction of the water,
5 sanitary sewer, and drainage improvements and roads required to
6 serve at least 95 percent of the land in the district.

7 (c) Notwithstanding Section 54.016(f)(2), Water Code, a
8 contract between the municipality and the district that provides
9 for the allocation of the taxes or revenues between the district and
10 the municipality following the date of inclusion of all the
11 district's territory in the corporate limits of the municipality
12 may provide that the total annual ad valorem taxes collected by the
13 municipality and the district from taxable property in the district
14 may exceed the municipality's ad valorem tax on the property.

15 Sec. 7935A.0307. LIMITATION ON USE OF EMINENT DOMAIN. The
16 district may not exercise the power of eminent domain outside the
17 district boundaries to acquire a site or easement for:

18 (1) a recreational facility, as defined by Section
19 49.462, Water Code; or

20 (2) a road project authorized by Section 7935A.0303.

21 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

22 Sec. 7935A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
23 The district may issue, without an election, bonds and other
24 obligations secured by:

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

26 (2) contract payments described by Section
27 7935A.0403.

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

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

9 Sec. 7935A.0402. OPERATION AND MAINTENANCE TAX. (a) If
10 authorized at an election held under Section 7935A.0401, the
11 district may impose an operation and maintenance tax on taxable
12 property in the district in accordance with Section 49.107, Water
13 Code.

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

16 Sec. 7935A.0403. CONTRACT TAXES. (a) In accordance with
17 Section 49.108, Water Code, the district may impose a tax other than
18 an operation and maintenance tax and use the revenue derived from
19 the tax to make payments under a contract after the provisions of
20 the contract have been approved by a majority of the district voters
21 voting at an election held for that purpose.

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

25 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

26 Sec. 7935A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
27 OBLIGATIONS. The district may issue bonds or other obligations

1 payable wholly or partly from ad valorem taxes, impact fees,
2 revenue, contract payments, grants, or other district money, or any
3 combination of those sources, to pay for any authorized district
4 purpose.

5 Sec. 7935A.0502. TAXES FOR BONDS. At the time the district
6 issues bonds payable wholly or partly from ad valorem taxes, the
7 board shall provide for the annual imposition of a continuing
8 direct ad valorem tax, without limit as to rate or amount, while all
9 or part of the bonds are outstanding as required and in the manner
10 provided by Sections 54.601 and 54.602, Water Code.

11 Sec. 7935A.0503. BONDS FOR ROAD PROJECTS. At the time of
12 issuance, the total principal amount of bonds or other obligations
13 issued or incurred to finance road projects and payable from ad
14 valorem taxes may not exceed one-fourth of the assessed value of the
15 real property in the district.

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

19 A METES & BOUNDS description of a calculated 350.0 acre tract
20 of land situated in the John Beauchamp Survey, Abstract No. 92, the
21 John Hume Survey, Abstract No. 264, the W.N. Mock Survey, Abstract
22 No. 401, and the I.&G.N. R.R. Co. Survey, Abstract No. 691, in
23 Walker County, Texas, being all of a called 6.00 acre tract (Tract 1
24 - C.F. No. 201700028486) recorded in Clerk's File No. 201700028486,
25 Walker County Official Records, and being all of a calculated 340.0
26 acre tract (Tract 2 - C.F. No. 201700028487) out of a called 710.308
27 acre tract recorded in Clerk's File No. 201700028487, Walker County

1 Official Records, said calculated 350.0 acre tract being more
2 particularly described as follows:

3 (Tract 1 - C.F. No. 201700028486)

4 Being 6.000 acres (261,338 square feet) tract of land out of
5 the John Hume Survey, Abstract No. 264, and the John Beauchamp
6 Survey, Abstract No. 92, Walker County Texas and being out of the
7 Lot 3B of Amending Replat of Lot 3, Stephen H. Dawson Subdivision as
8 recorded under Volume 6, Page 35 of the Walker County Plat Records
9 (W.C.P.R.), Texas and being out of a called Lot 3 (18.251 acres) as
10 conveyed to BDB Investments, a Texas General Partnership composed
11 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded
12 under Document No. 200800005295 of the Walker County Deed Records
13 (W.C.D.R.), Texas and a 0.63 acre tract (designated Tract One) and a
14 1.347 acre tract (designated Tract Two) as conveyed to BDB
15 Investments, a Texas General Partnership composed of J.D. Davis,
16 Bradley D. Davis, and J. Barrett Davis as recorded under Document
17 No. 201100005893 W.C.D.R. and being more particularly described by
18 metes and bounds as follows (with bearings referenced to Texas
19 State Plane Coordinate System Central Zone, NAD83).

20 BEGINNING at a point in the south right-of-way line of
21 Veterans Memorial Parkway (variable width as recorded in Volume
22 399, Page 705 W.C.D.R.) and being the northwest comer of a called
23 254.36 acre tract of land conveyed to Samuella W. Palmer, Trustee of
24 the Samuella W. Palmer Trust as recorded under Document No.
25 200700007382 W.C.D.R. and for the northeast corner of Lot 3B of
26 Amending Replat of Lot 3, Stephen H. Dawson Subdivision as recorded
27 under Volume 6, Page 35 of the Walker County Plat Records

1 (W.C.P.R.), Texas and herein described tract;

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

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

16 THENCE, South 22°11'28" West, 337.01 feet along the west line
17 of the called 710.338 acre tract and the east line of the called
18 0.63 acre tract and a 1.347 acre tract (designated Tract Two) as
19 conveyed to BDB Investments, a Texas General Partnership composed
20 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded
21 under Document No. 201100005893 W.C.D.R. to the northeast corner of
22 a called 0.87 acre tract conveyed to City of Huntsville as recorded
23 under Volume 233, Page 130 W.C.D.R. and for the southeast corner of
24 the herein described tract;

25 THENCE, North 67°41'34" West, 275.10 feet along the south
26 line of the called 1.347 acre and a called 0.53 acre tract conveyed
27 to Alejandro Zavala and Patricia Zavala, husband and wife, as

1 recorded under Volume 433 Page 308 W.C.D.R. to a point in the east
2 right-of-way line of Marigold Lane (formerly known as Holly Lane-
3 50 foot width as recorded under Volume 1, Page 18 W.C.P.R.) and for
4 the southwest corner of the called 1.347 acre tract and the herein
5 described tract;

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

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

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

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

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

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

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

25 THENCE, South 68°00'20" East, 56.42 feet continuing along the
26 north line of Lot 3B and the south right-of-way line of Veterans
27 Memorial Parkway to the POINT OF BEGINNING, CONTAINING 6.00 acres

H.B. No. 4658

1 (261,338 square feet) of land in Walker County, Texas, filed in the
2 office of Elevation Land Solutions in The Woodlands, Texas.

3 (Tract 2 - C.F. No. 201700028487)

4 A METES & BOUNDS description of a certain 344.0 acre
5 (14,984,662 square feet) tract of land situated in the W.N. Mock
6 Survey, Abstract No. 401, and the I.&G.N. R.R. Co. Survey, Abstract
7 No. 691, in Walker County, Texas, being out of a called 710.308 acre
8 tract conveyed to East Loop Investments, L.L.C. by deed recorded in
9 Clerk's File No. 201700028487, Walker County Official Records; said
10 344.0 acre (14,984,662 square feet) tract of land being more
11 particularly described as follows with all bearings referenced to
12 the Texas Coordinate System, Central Zone, NAD 83:

13 BEGINNING at a point for the northeast corner of a called
14 710.338 acres as conveyed to Alexander 263, Ltd-Baker, LP, a Texas
15 Limited Partnership and recorded under Volume 956, Page 33 Walker
16 County Deed Records and being the southeast corner of Lot 3B of
17 Amending Replat of Lot 3 Stephen H. Dawson Subdivision as recorded
18 under Volume 6, Page 35 of the Walker County Plat Records, Texas,
19 and being in the west line of a called 254.36 acre tract of land
20 conveyed to Samuella W. Palmer, Trustee of the Samuella W. Palmer
21 Trust as recorded under Document No. 200700007382 of the Walker
22 County Deed Records;

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

27 THENCE, South 04°00'26" East, 193.30 feet to a point for

1 corner;

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

4 THENCE, South 67°56'27" East, 153.25 feet continuing along
5 the east line of the called 710.338 acre tract to a point for corner
6 in the west line of a called 557 acre tract described as Tract No.
7 J12q conveyed to United States of America and recorded under Volume
8 82, Page 131 of the Walker County Deed Records;

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

12 THENCE, North 67°41'58" West, 3767.59 feet to a point for
13 corner in the west line of the called 710.338 acre tract and the
14 east line of a remainder called 200 acre tract as conveyed to Heath
15 Branch Fishing Club Incorporated as recorded under Volume 59, Page
16 348 of the Walker County Deed Records;

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

24 THENCE, South 66°36'33" East, 682.37 feet along the west line
25 of the called 710.338 acre tract and the south line of the called 50
26 acre tract to a point for the southeast corner of the called 50 acre
27 tract and corner of the called 710.338 acre tract and hereof;

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

8 THENCE, South 67°41'58" East, 624.76 feet along the south
9 line of the called 28.161 acre tract and the west line of the called
10 710.338 acre tract to a point for the southeast corner of the called
11 28.161 acre tract and a corner for the 710.338 acre tract and
12 hereof;

13 THENCE, North 22°11'28" East, 3786.54 feet along the west
14 line of the called 710.338 acre tract to a point for corner in the
15 south line of Lot 3B of the Amending Replat of Lot 3 Stephen H.
16 Dawson Subdivision and for the northwest corner of said called
17 710.338 acre tract and hereof;

18 THENCE, South 67°41'21" East, 61.09 feet along the north line
19 of the called 710.338 acre tract and the south line of Lot 3B to the
20 POINT OF BEGINNING, CONTAINING 344.0 acres (14,984,662 square feet)
21 of land in Walker County, Texas, filed in the office of Elevation
22 Land Solutions in The Woodlands, Texas.

23 SECTION 3. (a) The legal notice of the intention to
24 introduce this Act, setting forth the general substance of this
25 Act, has been published as provided by law, and the notice and a
26 copy of this Act have been furnished to all persons, agencies,
27 officials, or entities to which they are required to be furnished

1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2 Government Code.

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

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

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

14 SECTION 4. (a) Section 7935A.0307, Special District Local
15 Laws Code, as added by Section 1 of this Act, takes effect only if
16 this Act receives a two-thirds vote of all the members elected to
17 each house.

18 (b) If this Act does not receive a two-thirds vote of all the
19 members elected to each house, Subchapter C, Chapter 7935A, Special
20 District Local Laws Code, as added by Section 1 of this Act, is
21 amended by adding Section 7935A.0307 to read as follows:

22 Sec. 7935A.0307. NO EMINENT DOMAIN POWER. The district may
23 not exercise the power of eminent domain.

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

27 SECTION 5. This Act takes effect immediately if it receives

H.B. No. 4658

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2021.