

By: Buckingham

S.B. No. 1987

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of the River Farm Municipal Utility  
3 District No. 1 of Bell County; granting a limited power of eminent  
4 domain; providing authority to issue bonds; providing authority to  
5 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 8301 to read as follows:

9 CHAPTER 8301. RIVER FARM MUNICIPAL UTILITY DISTRICT NO. 1

10 OF BELL COUNTY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8301.0101. 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 River Farm Municipal Utility  
18 District No. 1 of Bell County.

19 Sec. 8301.0102. NATURE OF DISTRICT. The district is a  
20 municipal utility district created under Section 59, Article XVI,  
21 Texas Constitution.

22 Sec. 8301.0103. 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. 8301.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
3 temporary directors may not hold an election under Section  
4 8301.0103 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. 8301.0105. 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. 8301.0106. 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. 8301.0201. GOVERNING BODY; TERMS. (a) The district is  
5 governed by a board of five elected directors.

6           (b) Except as provided by Section 8301.0202, directors  
7 serve staggered four-year terms.

8           Sec. 8301.0202. TEMPORARY DIRECTORS. (a) The temporary  
9 board consists of:

10           (1) Rick Jones;

11           (2) Steve Gottsacker;

12           (3) Mike Nolan;

13           (4) Louis Casey; and

14           (5) Rex Baird.

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

16           (1) the date permanent directors are elected under  
17 Section 8301.0103; 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 8301.0103 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 8301.0103; 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. 8301.0301. 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. 8301.0302. 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. 8301.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
19 52, Article III, Texas Constitution, the district may design,  
20 acquire, construct, finance, issue bonds for, improve, operate,  
21 maintain, and convey to this state, a county, or a municipality for  
22 operation and maintenance macadamized, graveled, or paved roads, or  
23 improvements, including storm drainage, in aid of those roads.

24 Sec. 8301.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
25 road project must meet all applicable construction standards,  
26 zoning and subdivision requirements, and regulations of each  
27 municipality in whose corporate limits or extraterritorial

1 jurisdiction the road project is located.

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

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

10 Sec. 8301.0305. MAINTENANCE OF ROADS IN TERRITORY OUTSIDE  
11 CORPORATE LIMITS OF CITY. If district territory, or a portion of  
12 district territory, is located outside the corporate limits of the  
13 City of Belton, the district shall maintain any road the district  
14 constructs located in that territory.

15 Sec. 8301.0306. COMPLIANCE WITH MUNICIPAL CONSENT  
16 ORDINANCE OR RESOLUTION. The district shall comply with all  
17 applicable requirements of any ordinance or resolution that is  
18 adopted under Section 54.016 or 54.0165, Water Code, and that  
19 consents to the creation of the district or to the inclusion of land  
20 in the district.

21 Sec. 8301.0307. DIVISION OF DISTRICT. (a) The district may  
22 be divided into two or more new districts only if the district:

23 (1) has no outstanding bonded debt; and

24 (2) is not imposing ad valorem taxes.

25 (b) This chapter applies to any new district created by  
26 division of the district, and a new district has all the powers and  
27 duties of the district.

1       (c) A new district created by the division of the district  
2 may not, at the time the new district is created, contain any land  
3 outside the area described by Section 2 of the Act enacting this  
4 chapter.

5       (d) The board, on its own motion or on receipt of a petition  
6 signed by the owner or owners of a majority of the assessed value of  
7 the real property in the district, may adopt an order dividing the  
8 district.

9       (e) The board may adopt an order dividing the district  
10 before or after the date the board holds an election under Section  
11 8301.0103 to confirm the district's creation.

12       (f) An order dividing the district shall:

13               (1) name each new district;

14               (2) include the metes and bounds description of the  
15 territory of each new district;

16               (3) appoint temporary directors for each new district;

17 and

18               (4) provide for the division of assets and liabilities  
19 between the new districts.

20       (g) On or before the 30th day after the date of adoption of  
21 an order dividing the district, the district shall file the order  
22 with the commission and record the order in the real property  
23 records of each county in which the district is located.

24       (h) Any new district created by the division of the district  
25 shall hold a confirmation and directors' election as required by  
26 Section 8301.0103. If the voters of a new district do not confirm  
27 the creation of the new district, the assets, obligations,

1 territory, and governance of the new district revert to the  
2 original district.

3 (i) Municipal consent to the creation of the district and to  
4 the inclusion of land in the district granted under Section  
5 8301.0104 acts as municipal consent to the creation of any new  
6 district created by the division of the district and to the  
7 inclusion of land in the new district.

8 (j) Any new district created by the division of the district  
9 must hold an election as required by this chapter to obtain voter  
10 approval before the district may impose a maintenance tax or issue  
11 bonds payable wholly or partly from ad valorem taxes.

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 8301.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
14 The district may issue, without an election, bonds and other  
15 obligations secured by:

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

17 (2) contract payments described by Section 8301.0403.

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

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

26 Sec. 8301.0402. OPERATION AND MAINTENANCE TAX. (a) If  
27 authorized at an election held under Section 8301.0401, the

1 district may impose an operation and maintenance tax on taxable  
2 property in the district in accordance with Section 49.107, Water  
3 Code.

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

6 Sec. 8301.0403. CONTRACT TAXES. (a) In accordance with  
7 Section 49.108, Water Code, the district may impose a tax other than  
8 an operation and maintenance tax and use the revenue derived from  
9 the tax to make payments under a contract after the provisions of  
10 the contract have been approved by a majority of the district voters  
11 voting at an election held for that purpose.

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

15 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

16 Sec. 8301.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
17 OBLIGATIONS. The district may issue bonds or other obligations  
18 payable wholly or partly from ad valorem taxes, impact fees,  
19 revenue, contract payments, grants, or other district money, or any  
20 combination of those sources, to pay for any authorized district  
21 purpose.

22 Sec. 8301.0502. TAXES FOR BONDS. At the time the district  
23 issues bonds payable wholly or partly from ad valorem taxes, the  
24 board shall provide for the annual imposition of a continuing  
25 direct ad valorem tax, without limit as to rate or amount, while all  
26 or part of the bonds are outstanding as required and in the manner  
27 provided by Sections 54.601 and 54.602, Water Code.



1       Sec. 8301.0503. BONDS FOR ROAD PROJECTS. At the time of  
2 issuance, the total principal amount of bonds or other obligations  
3 issued or incurred to finance road projects and payable from ad  
4 valorem taxes may not exceed one-fourth of the assessed value of the  
5 real property in the district.

6       SECTION 2. The River Farm Municipal Utility District No. 1  
7 of Bell County initially includes all the territory contained in  
8 the following area:

9 BEING a tract of land situated in in the Felipe Madrigal Survey  
10 Abstract No. 554 and the O.T. Tyler Survey Abstract No. 20, Bell  
11 County, Texas, and being a portion of a 552 acre tract of land  
12 conveyed to A.J. Hall and wife Katherine V. Hall according to the  
13 document filed of record in Volume 928, Page 403, Deed Records of  
14 Bell County, Texas; said tract also being a portion of that tract of  
15 land conveyed to Interfirst Bank, Temple, N.A. according to the  
16 document filed of record in Volume 2157, Page 443, Deed Records of  
17 Bell County, Texas, and being more particularly described as  
18 follows:

19 BEGINNING at a point in the east line of Old U.S. Highway No. 81;  
20 being the northwest corner of the said 552 acre tract, same being  
21 the northwest corner of that certain 5.229 acre tract of land  
22 described in a deed from Francis M. Hall to A.J. Hall being of  
23 record in Volume 1958, Page 856, Deed Records of Bell County, Texas;

24 THENCE South 73°36'13" East, leaving said east line, a distance of  
25 844.30 feet to a point for a corner of this tract;

26 THENCE South 73°18'39" East, a distance of 778.99 feet to a point for  
27 a corner of this tract;

1 THENCE South 72°19'10" East, a distance of 313.74 feet to a point for  
2 a corner of this tract;  
3 THENCE South 72°17'13" East, a distance of 760.68 feet to a point for  
4 a corner of this tract;  
5 THENCE South 76°09'43" East, a distance of 559.09 feet to a point for  
6 a corner of this tract at the approximate center of the Lampasas  
7 River;  
8 THENCE along the center of said Lampasas River the following  
9 sixteen (16) courses and distances;  
10 South 3°31'42" East, a distance of 270.01 feet to a point for a  
11 corner of this tract;  
12 South 22°33'02" West, a distance of 305.01 feet to a point for a  
13 corner of this tract;  
14 South 41°46'44" West, a distance of 144.07 feet to a point for a  
15 corner of this tract;  
16 South 4°33'41" West, a distance of 748.36 feet to a point for a  
17 corner of this tract;  
18 South 23°45'35" East, a distance of 475.45 feet to a point for a  
19 corner of this tract;  
20 South 26°13'38" East, a distance of 440.30 feet to a point for a  
21 corner of this tract;  
22 South 53°13'35" East, a distance of 353.75 feet to a point for a  
23 corner of this tract;  
24 North 59°26'34" East, a distance of 463.02 feet to a point for a  
25 corner of this tract;  
26 North 75°29'57" East, a distance of 248.68 feet to a point for a  
27 corner of this tract;

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1 South 87°22'58" East, a distance of 548.47 feet to a point for a  
2 corner of this tract;  
3 South 64°58'40" East, a distance of 329.60 feet to a point for a  
4 corner of this tract;  
5 South 36°48'27" East, a distance of 165.61 feet to a point for a  
6 corner of this tract;  
7 South 0°10'19" West, a distance of 289.15 feet to a point for a  
8 corner of this tract;  
9 South 27°37'41" East, a distance of 182.45 feet to a point for a  
10 corner of this tract;  
11 South 76°03'38" East, a distance of 571.54 feet to a point for a  
12 corner of this tract;  
13 South 49°09'40" East, a distance of 407.46 feet to a point for a  
14 corner of this tract;  
15 South 24°31'49" East, a distance of 661.88 feet to a point for a  
16 corner of this tract;;  
17 THENCE North 75°38'19" West, leaving the above mentioned Lampasas  
18 River, a distance of 1576.09 feet to a point for a corner of this  
19 tract;  
20 THENCE South 51°59'58" West, a distance of 1546.90 feet to a point  
21 for a corner of this tract;  
22 THENCE North 36°52'41" West, a distance of 1957.51 feet to a point  
23 for a corner of this tract;  
24 THENCE North 53°41'37" West, a distance of 1279.74 feet to a point  
25 for a corner of this tract;  
26 THENCE North 58°18'24" West, a distance of 2257.67 feet to a point in  
27 the east line of the above-mentioned Old U.S. Highway No. 81, for a

1 corner of this tract;  
2 THENCE North 22°24'57" East, with said east line, a distance of  
3 36.44 feet to a point for a corner of this tract;  
4 THENCE North 9°59'32" East, continuing with said east line, a  
5 distance of 503.32 feet to a point for a corner of this tract;  
6 THENCE North 17°38'30" East, with said east line, a distance of  
7 1414.35 feet to the POINT OF BEGINNING and containing 304.7641  
8 acres or 13,275,522 square feet of land, more or less.

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

16 (b) The governor, one of the required recipients, has  
17 submitted the notice and Act to the Texas Commission on  
18 Environmental Quality.

19 (c) The Texas Commission on Environmental Quality has filed  
20 its recommendations relating to this Act with the governor, the  
21 lieutenant governor, and the speaker of the house of  
22 representatives within the required time.

23 (d) All requirements of the constitution and laws of this  
24 state and the rules and procedures of the legislature with respect  
25 to the notice, introduction, and passage of this Act are fulfilled  
26 and accomplished.

27 SECTION 4. (a) If this Act does not receive a two-thirds

1 vote of all the members elected to each house, Subchapter C, Chapter  
2 8301, Special District Local Laws Code, as added by Section 1 of  
3 this Act, is amended by adding Section 8301.0308 to read as follows:

4 Sec. 8301.0308. NO EMINENT DOMAIN POWER. The district may  
5 not exercise the power of eminent domain.

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

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