

By: Creighton

S.B. No. 2198

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Chambers County Municipal Utility District No. 7; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose 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 7916A to read as follows:

CHAPTER 7916A. CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7916A.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 Chambers County Municipal Utility District No. 7.

Sec. 7916A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7916A.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.

1 Sec. 7916A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section
3 7916A.0103 until each municipality in whose corporate limits or
4 extraterritorial jurisdiction the district is located has
5 consented by ordinance or resolution to the creation of the
6 district and to the inclusion of land in the district.

7 Sec. 7916A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

16 Sec. 7916A.0106. INITIAL DISTRICT TERRITORY. (a) The
17 district is initially composed of the territory described by
18 Section 2 of the Act enacting this chapter.

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

23 (1) organization, existence, or validity;

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

27 (3) right to impose a tax; or

1 (4) legality or operation.

2 Sec. 7916A.0107. EFFECT OF ANNEXATION. Notwithstanding any
3 other law, if all or part of the territory of the district is
4 annexed by a municipality into the municipality's corporate limits,
5 the district:

6 (1) retains all of the district's outstanding debt and
7 obligations; and

8 (2) is not dissolved.

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 7916A.0201. GOVERNING BODY; TERMS. (a) The district
11 is governed by a board of five elected directors.

12 (b) Except as provided by Section 7916A.0202, directors
13 serve staggered four-year terms.

14 Sec. 7916A.0202. TEMPORARY DIRECTORS. (a) On or after
15 September 1, 2021, the owner or owners of a majority of the assessed
16 value of the real property in the district may submit a petition to
17 the commission requesting that the commission appoint as temporary
18 directors the five persons named in the petition. The commission
19 shall appoint as temporary directors the five persons named in the
20 petition.

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

22 (1) the date permanent directors are elected under
23 Section 7916A.0103; or

24 (2) September 1, 2025.

25 (c) If permanent directors have not been elected under
26 Section 7916A.0103 and the terms of the temporary directors have
27 expired, successor temporary directors shall be appointed or

1 reappointed as provided by Subsection (d) to serve terms that
2 expire on the earlier of:

3 (1) the date permanent directors are elected under
4 Section 7916A.0103; or

5 (2) the fourth anniversary of the date of the
6 appointment or reappointment.

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

14 SUBCHAPTER C. POWERS AND DUTIES

15 Sec. 7916A.0301. GENERAL POWERS AND DUTIES. The district
16 has the powers and duties necessary to accomplish the purposes for
17 which the district is created.

18 Sec. 7916A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
19 DUTIES. The district has the powers and duties provided by the
20 general law of this state, including Chapters 49 and 54, Water Code,
21 applicable to municipal utility districts created under Section 59,
22 Article XVI, Texas Constitution.

23 Sec. 7916A.0303. AUTHORITY FOR ROAD PROJECTS. Under
24 Section 52, Article III, Texas Constitution, the district may
25 design, acquire, construct, finance, issue bonds for, improve,
26 operate, maintain, and convey to this state, a county, or a
27 municipality for operation and maintenance macadamized, graveled,

1 or paved roads, or improvements, including storm drainage, in aid
2 of those roads.

3 Sec. 7916A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
4 road project must meet all applicable construction standards,
5 zoning and subdivision requirements, and regulations of each
6 municipality in whose corporate limits or extraterritorial
7 jurisdiction the road project is located.

8 (b) If a road project is not located in the corporate limits
9 or extraterritorial jurisdiction of a municipality, the road
10 project must meet all applicable construction standards,
11 subdivision requirements, and regulations of each county in which
12 the road project is located.

13 (c) If the state will maintain and operate the road, the
14 Texas Transportation Commission must approve the plans and
15 specifications of the road project.

16 Sec. 7916A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
17 ORDINANCE OR RESOLUTION. The district shall comply with all
18 applicable requirements of any ordinance or resolution that is
19 adopted under Section 54.016 or 54.0165, Water Code, and that
20 consents to the creation of the district or to the inclusion of land
21 in the district.

22 Sec. 7916A.0306. DIVISION OF DISTRICT. (a) The district
23 may be divided into two or more new districts only if the district:

- 24 (1) has no outstanding bonded debt; and
25 (2) is not imposing ad valorem taxes.

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

1 duties of the district.

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

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

10 (e) The board may adopt an order dividing the district
11 before or after the date the board holds an election under Section
12 7916A.0103 to confirm the district's creation.

13 (f) An order dividing the district shall:

14 (1) name each new district;

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

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

18 and

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

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

25 (h) Any new district created by the division of the district
26 shall hold a confirmation and directors' election as required by
27 Section 7916A.0103. If the voters of a new district do not confirm

1 the creation of the new district, the assets, obligations,
2 territory, and governance of the new district revert to the
3 original district.

4 (i) Municipal consent to the creation of the district and to
5 the inclusion of land in the district granted under Section
6 7916A.0104 acts as municipal consent to the creation of any new
7 district created by the division of the district and to the
8 inclusion of land in the new district.

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

13 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

14 Sec. 7916A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
15 The district may issue, without an election, bonds and other
16 obligations secured by:

- 17 (1) revenue other than ad valorem taxes; or
18 (2) contract payments described by Section
19 7916A.0403.

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

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

1 Sec. 7916A.0402. OPERATION AND MAINTENANCE TAX. (a) If
2 authorized at an election held under Section 7916A.0401, the
3 district may impose an operation and maintenance tax on taxable
4 property in the district in accordance with Section 49.107, Water
5 Code.

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

8 Sec. 7916A.0403. CONTRACT TAXES. (a) In accordance with
9 Section 49.108, Water Code, the district may impose a tax other than
10 an operation and maintenance tax and use the revenue derived from
11 the tax to make payments under a contract after the provisions of
12 the contract have been approved by a majority of the district voters
13 voting at an election held for that purpose.

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

17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

18 Sec. 7916A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
19 OBLIGATIONS. The district may issue bonds or other obligations
20 payable wholly or partly from ad valorem taxes, impact fees,
21 revenue, contract payments, grants, or other district money, or any
22 combination of those sources, to pay for any authorized district
23 purpose.

24 Sec. 7916A.0502. TAXES FOR BONDS. At the time the district
25 issues bonds payable wholly or partly from ad valorem taxes, the
26 board shall provide for the annual imposition of a continuing
27 direct ad valorem tax, without limit as to rate or amount, while all

1 or part of the bonds are outstanding as required and in the manner
2 provided by Sections 54.601 and 54.602, Water Code.

3 Sec. 7916A.0503. BONDS FOR ROAD PROJECTS. At the time of
4 issuance, the total principal amount of bonds or other obligations
5 issued or incurred to finance road projects and payable from ad
6 valorem taxes may not exceed one-fourth of the assessed value of the
7 real property in the district.

8 SECTION 2. The Chambers County Municipal Utility District
9 No. 7 initially includes all the territory contained in the
10 following area:

11 FIELD NOTES being a called 173.477 Acre Tract (7,556,674 square
12 feet) of land out of and part of the following two (2) Tracts of
13 land:

14 1. A called 173.4 acres described as Tract No. 1, in
15 Warranty Deed with Vendor's Lien from Danny R. Schnautz et al to
16 Cecil W. Parker, Jr. et ux, dated September 30, 2010, recorded under
17 County Clerk's Number 2010-59675 of Chambers County Public Records,
18 Texas.

19 2. A called 225.3 acres described in Warranty Deed with
20 Vendor's Lien from Edmond Earl Fergerson et ux to Cecil W. Parker,
21 Jr., dated December 6, 2016, recorded under County Clerk's Number
22 2016-117814 of the Official Public Records of Chambers County,
23 Texas.

24 Said 173.477 Acre Tract being situated in the Luke Bryan Survey,
25 Abstract 41, and J.T. White Survey, Abstract 387, Chambers County,
26 Texas and being more particularly described by metes and bounds as
27 follows:

1 COMMENING at a point the easterly right-of-way line of State
2 Highway 61 (100 foot wide) being at the northwest corner of a called
3 20.00 Acre Tract, described in Warranty Deed with Vendor's Lien,
4 from Cecil William Parker, Jr to Ybarra-Mitchell Property Group,
5 LLC, dated February 15, 2018, recorded under Chambers County
6 Clerk's File Number 2018-129523 of Chamber County Official Public
7 Records. Said point being the POINT OF BEGINNING having the State
8 Plane Coordinates of N: 13,875,224.88 and E: 3,348,102.41.

9 THENCE North 85° 26' 47" East, along the north line of said 20.00
10 Acre Tract, a distance of 1,506.60 feet to the northeast corner of
11 said called 20.00 Acre Tract and the northwest corner and the POINT
12 OF BEGINNING of the herein described tract of land;

13 THENCE North 85° 26' 47" East, along the south line of J.T. White
14 League, Abstract 300 and the common north line of said called 173.4
15 Acre Tract and the Luke Bryan Survey, Abstract 41, at a distance of
16 4,233.96 to the northeast corner of said called 173.4 Acre Tract and
17 the northwest corner of J.T. White Survey, Abstract 387, Chambers
18 County, and the most westerly northwest corner for the said called
19 225.3 Acre Tract;

20 THENCE North 87° 04' 48" East, along an interior line of said called
21 225.3 Acre Tract and the north line of J.T. White Survey, Abstract
22 387, at a distance of 575.25 feet pass an interior corner of said
23 called 225.3 Acre Tract, continuing for a total distance of 591.25
24 feet to a point for the northeast corner of the herein described
25 tract;

26 THENCE South 03° 54' 16" East, a distance of 1,473.72 feet to a point
27 in the south line of said called 225.3 Acre Tract and said point

1 being the southeast corner of the herein described tract;
2 THENCE South 87° 05' 02" West, along the south line of said called
3 225.3 Acre Tract, a distance of 591.25 feet to a point for the
4 southwest corner of said called 225.3 Acre Tract and an angle point
5 of the herein described tract;
6 THENCE North 03° 54' 16" West, along the west line of said called
7 225.3 Acre Tract, a distance of 40.28 feet to a point for the
8 southeast corner of said called 173.4 acre tract and for an interior
9 corner of the herein described tract;
10 THENCE South 85° 34' 46" West, along and with the south line of said
11 called 173.4 Acre Tract a distance of 4,831.59 feet to a point in
12 the easterly right-of-way line of State Highway 61 and same point
13 being the common southwest corner of said called 173.4 Acre Tract
14 and of the herein described tract;
15 THENCE North 37° 29' 13" West, along the easterly right-of-way line
16 of State Highway 61, a distance of 890.37 feet to the southwest
17 corner of said called 20.00 Acre Tract and same being the most
18 westerly northwest corner of the herein described tract;
19 THENCE North 84° 34' 37" East, along the south line of said called
20 20.00 Acre Tract, a distance of 1,098.05 feet to a point at the
21 southeast corner of said called 20.00 Acre Tract same being an
22 interior corner of the herein described tract;
23 THENCE North 04° 33' 13" West, along the east line of said called
24 20.00 Acre Tract, a distance of 658.14 feet to the POINT OF
25 BEGINNING and containing 173.477 Acre Tract (7,556,674 square
26 feet) of land more or less.

27 SECTION 3. (a) The legal notice of the intention to

1 introduce this Act, setting forth the general substance of this
2 Act, has been published as provided by law, and the notice and a
3 copy of this Act have been furnished to all persons, agencies,
4 officials, or entities to which they are required to be furnished
5 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6 Government Code.

7 (b) The governor, one of the required recipients, has
8 submitted the notice and Act to the Texas Commission on
9 Environmental Quality.

10 (c) The Texas Commission on Environmental Quality has filed
11 its recommendations relating to this Act with the governor, the
12 lieutenant governor, and the speaker of the house of
13 representatives within the required time.

14 (d) All requirements of the constitution and laws of this
15 state and the rules and procedures of the legislature with respect
16 to the notice, introduction, and passage of this Act are fulfilled
17 and accomplished.

18 SECTION 4. (a) If this Act does not receive a two-thirds
19 vote of all the members elected to each house, Subchapter C, Chapter
20 7916A, Special District Local Laws Code, as added by Section 1 of
21 this Act, is amended by adding Section 7916A.0307 to read as
22 follows:

23 Sec. 7916A.0307. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

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

1 SECTION 5. This Act takes effect September 1, 2021.