

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Bailes

H.B. No. 4658

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

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

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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

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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.



ADOPTED

MAY 27 2021

By: Schwertner

Substitute the following for \_\_\_B. No.

Lacey Law  
Secretary of the Senate

H.B. No. 4658

By: [Signature]

C.S. \_\_\_B. No. \_\_\_\_\_

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15 or maintenance of macadamized, graveled, or paved roads, or  
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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  
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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  
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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 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

22 (2) contract payments described by Section  
23 7935A.0403.

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

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

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

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

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

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

21           SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

22           Sec. 7935A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
23 OBLIGATIONS. The district may issue bonds or other obligations  
24 payable wholly or partly from ad valorem taxes, impact fees,  
25 revenue, contract payments, grants, or other district money, or any  
26 combination of those sources, to pay for any authorized district  
27 purpose.

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

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

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

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

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

27           Being 6.000 acres (261,338 square feet) tract of land out of

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

16 BEGINNING at a point in the south right-of-way line of  
17 Veterans Memorial Parkway (variable width as recorded in Volume  
18 399, Page 705 W.C.D.R.) and being the northwest comer of a called  
19 254.36 acre tract of land conveyed to Samuella W. Palmer, Trustee of  
20 the Samuella W. Palmer Trust as recorded under Document No.  
21 200700007382 W.C.D.R. and for the northeast corner of Lot 3B of  
22 Amending Replat of Lot 3, Stephen H. Dawson Subdivision as recorded  
23 under Volume 6, Page 35 of the Walker County Plat Records  
24 (W.C.P.R.), Texas and herein described tract;

25 THENCE, South 03°00'42" East, 595.64 feet along the east line  
26 of Lot 3B and the west line of the called 254.36 acre tract to the  
27 northeast comer of a called 710.338 acre tract conveyed to



1 Alexander 263, Ltd.-Baker, LP, a Texas Limited Partnership as  
2 recorded in Volume 956, Page 33 W.C.D.R., and the southeast corner  
3 of Lot 3B and for corner of the herein described tract;

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

12         THENCE, South 22°11'28" West, 337.01 feet along the west line  
13 of the called 710.338 acre tract and the east line of the called  
14 0.63 acre tract and a 1.347 acre tract (designated Tract Two) as  
15 conveyed to BDB Investments, a Texas General Partnership composed  
16 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded  
17 under Document No. 201100005893 W.C.D.R. to the northeast corner of  
18 a called 0.87 acre tract conveyed to City of Huntsville as recorded  
19 under Volume 233, Page 130 W.C.D.R. and for the southeast corner of  
20 the herein described tract;

21         THENCE, North 67°41'34" West, 275.10 feet along the south  
22 line of the called 1.347 acre and a called 0.53 acre tract conveyed  
23 to Alejandro Zavala and Patricia Zavala, husband and wife, as  
24 recorded under Volume 433 Page 308 W.C.D.R. to a point in the east  
25 right-of-way line of Marigold Lane (formerly known as Holly Lane-  
26 50 foot width as recorded under Volume 1, Page 18 W.C.P.R.) and for  
27 the southwest corner of the called 1.347 acre tract and the herein

1 described tract;

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

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

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

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

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

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

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

21           THENCE, South 68°00'20" East, 56.42 feet continuing along the  
22 north line of Lot 3B and the south right-of-way line of Veterans  
23 Memorial Parkway to the POINT OF BEGINNING, CONTAINING 6.00 acres  
24 (261,338 square feet) of land in Walker County, Texas, filed in the  
25 office of Elevation Land Solutions in The Woodlands, Texas.

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

27           A METES & BOUNDS description of a certain 344.0 acre

1 (14,984,662 square feet) tract of land situated in the W.N. Mock  
2 Survey, Abstract No. 401, and the I.&G.N. R.R. Co. Survey, Abstract  
3 No. 691, in Walker County, Texas, being out of a called 710.308 acre  
4 tract conveyed to East Loop Investments, L.L.C. by deed recorded in  
5 Clerk's File No. 201700028487, Walker County Official Records; said  
6 344.0 acre (14,984,662 square feet) tract of land being more  
7 particularly described as follows with all bearings referenced to  
8 the Texas Coordinate System, Central Zone, NAD 83:

9 BEGINNING at a point for the northeast corner of a called  
10 710.338 acres as conveyed to Alexander 263, Ltd-Baker, LP, a Texas  
11 Limited Partnership and recorded under Volume 956, Page 33 Walker  
12 County Deed Records and being the southeast corner of Lot 3B of  
13 Amending Replat of Lot 3 Stephen H. Dawson Subdivision as recorded  
14 under Volume 6, Page 35 of the Walker County Plat Records, Texas,  
15 and being in the west line of a called 254.36 acre tract of land  
16 conveyed to Samuella W. Palmer, Trustee of the Samuella W. Palmer  
17 Trust as recorded under Document No. 200700007382 of the Walker  
18 County Deed Records;

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

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

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

27 THENCE, South 67°56'27" East, 153.25 feet continuing along

1 the east line of the called 710.338 acre tract to a point for corner  
2 in the west line of a called 557 acre tract described as Tract No.  
3 J12q conveyed to United States of America and recorded under Volume  
4 82, Page 131 of the Walker County Deed Records;

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

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

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

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

24         THENCE, North 23°07'10" East, 3136.07 feet along the west  
25 line of the called 710.338 acre tract and the east line of the  
26 called 50 acre tract to a point in the south line of a called 28.161  
27 acre tract conveyed to MBV Ventured, Ltd., a Texas limited

1 partnership as recorded under Document No. 201300005357 of the  
2 Walker County Deed Records, the northeast corner of said called 50  
3 acre tract and a corner of the called 710.338 acre tract and hereof;

4       THENCE, South 67°41'58" East, 624.76 feet along the south  
5 line of the called 28.161 acre tract and the west line of the called  
6 710.338 acre tract to a point for the southeast corner of the called  
7 28.161 acre tract and a corner for the 710.338 acre tract and  
8 hereof;

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

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

19       SECTION 3. (a) The legal notice of the intention to  
20 introduce this Act, setting forth the general substance of this  
21 Act, has been published as provided by law, and the notice and a  
22 copy of this Act have been furnished to all persons, agencies,  
23 officials, or entities to which they are required to be furnished  
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
25 Government Code.

26       (b) The governor, one of the required recipients, has  
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

6 (d) All requirements of the constitution and laws of this  
7 state and the rules and procedures of the legislature with respect  
8 to the notice, introduction, and passage of this Act are fulfilled  
9 and accomplished.

10 SECTION 4. (a) If this Act does not receive a two-thirds  
11 vote of all the members elected to each house, Subchapter C, Chapter  
12 7935A, Special District Local Laws Code, as added by Section 1 of  
13 this Act, is amended by adding Section 7935A.0306 to read as  
14 follows:

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

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

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 27, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4658** by Bailes (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.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, CMA, AF, DPE, AJL

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 22, 2021**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4658** by Bailes (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.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AF, CMA, DPE, AJL



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 20, 2021**

**TO:** Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4658** by Bailes (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.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AF, DPE, AJL, CMA

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 3, 2021**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4658** by Bailes (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.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Special District Local Laws Code to create a certain municipal utility district and establish its powers and duties.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JMc, AJL, CMA, DPE

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**WATER DEVELOPMENT POLICY IMPACT STATEMENT**

**87TH LEGISLATIVE REGULAR SESSION**

**May 3, 2021**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Land & Resource Management

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4658** by Bailes (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.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Huntsville Municipal Utility District No. 1 of Walker County, Texas (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

**Population:** The very specific description of the proposed boundaries does not allow staff to develop precise population estimates.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Walker County served by small water systems or private wells ('County-Other') was 14,493. The Walker County-Other population projections adopted for the 2022 State Water Plan projects the population to be 14,071 in 2030 and 14,237 in 2040.

**Location:** The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Walker County Official Records, Walker County Plat Records, Walker County Deed Records, and metes and bounds. Due to the complexity of these boundaries for the various subareas of the district, staff is only able to determine the general location of the proposed district.

The proposed district's area is approximately 0.55 square miles in central Walker County, located west of the City of Huntsville. The proposed boundary appears to be near the intersection of Farm to Market Road 1374 (Montgomery Road) and Veteran's Memorial Parkway. The proposed district may overlap the City of Huntsville water utility boundary.

**Comments on Powers/Duties Different from Similar Types of Districts:** The District must receive consent to the creation of the District from each municipality in whose corporate limits or extraterritorial jurisdiction the District is located prior to holding a confirmation election. The bill requires the TCEQ to appoint the five initial temporary directors upon receipt of a petition from the owners of a majority of the assessed value of the real property in the district. The bill grants the District authority for road projects. A municipality within whose extraterritorial jurisdiction the land in the District lies may annex all of the district into its corporate limits under the terms of an agreement entered into before the effective date of the Act creating this chapter between the municipality and the owners of the land being annexed, and in that instance, the district may not be dissolved, except as follows: the District may be dissolved and its debts and obligations assumed by the municipality in accordance with Chapter 43, Local Government Code, including Sections 43.075 and 43.0715, on annexation of all of the territory of the district by the municipality, and completion of the construction of the water, sanitary sewer, and drainage improvements and roads required to serve at least 95 percent of the land in the District. The district may not exercise the power of eminent domain outside the district boundaries to acquire a site or easement for a recreational facility, as defined by Section 49.462, Water Code, or for a road

project. The bill specifies that 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 real property in the District. If the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

**Overlapping Services:** TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

**TCEQ's Supervision:** As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

**Water Use:** Within Walker County, 71% of the total water use was supplied by surface water, and municipal was the largest volume water use category comprising 90% of the county total water use in 2018. The water source the proposed district might pursue is unknown.

**Source** 580 Water Development Board, 582 Commission on Environmental Quality  
**Agencies:**  
**LBB Staff:** JMc, AJL