By:  Gates (Senate Sponsor - Kolkhorst) H.B. No. 5326

(In the Senate - Received from the House May 3, 2023; May 5, 2023, read first time and referred to Committee on Local Government; May 10, 2023, reported favorably by the following vote: Yeas 9, Nays 0; May 10, 2023, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Springer          X

Eckhardt          X

Gutierrez         X

Hall              X

Nichols           X

Parker            X

Paxton            X

West              X

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Orchard Municipal Utility District No. 2; 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 8079A to read as follows:

CHAPTER 8079A. ORCHARD MUNICIPAL UTILITY DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8079A.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 Orchard Municipal Utility District No. 2.

Sec. 8079A.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8079A.0103.  CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8079A.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8079A.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 8079A.0105.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 8079A.0106.  INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1)  organization, existence, or validity;

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

(3)  right to impose a tax; or

(4)  legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8079A.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b)  Except as provided by Section 8079A.0202, directors serve staggered four-year terms.

Sec. 8079A.0202.  TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b)  Temporary directors serve until the earlier of:

(1)  the date permanent directors are elected under Section 8079A.0103; or

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

(c)  If permanent directors have not been elected under Section 8079A.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Section 8079A.0103; or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8079A.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8079A.0302.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8079A.0303.  AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8079A.0304.  ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 8079A.0305.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 8079A.0306.  DIVISION OF DISTRICT. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b)  An order dividing a district may create one or more new districts and may provide for the continuation of the district.

(c)  An order dividing the district shall:

(1)  name any new district;

(2)  include the metes and bounds description of the territory of each of the districts;

(3)  appoint temporary directors for any new district; and

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

(d)  The board may adopt an order dividing the district before or after the date the board holds an election to confirm the district's creation.

(e)  The district may be divided only if the district:

(1)  has never issued any bonds; and

(2)  is not imposing ad valorem taxes.

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

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

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

(i)  A new district created by the division of the district shall hold a confirmation and directors' election.

(j)  If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

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

(l)  The district may continue to rely on confirmation, directors', bond, or tax elections held prior to the division.

(m)  Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8079A.0401.  ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1)  revenue other than ad valorem taxes; or

(2)  contract payments described by Section 8079A.0403.

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

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

Sec. 8079A.0402.  OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8079A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 8079A.0403.  CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8079A.0501.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8079A.0502.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8079A.0503.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2.  Orchard Municipal Utility District No. 2 initially includes all the territory contained in the following area:

Being a 2,717.3 acre tract of land located in the Nancy Spencer Survey, Abstract No. 88, Fort Bend County, Texas; said 2,717.3 acre tract being a portion of a called 3,719.849 acre tract of land (Tract 11) recorded in Clerk's File (C.F.) No. 9632563 of the Official Public Records of Fort Bend County (O.P.R.F.B.C.) said 2,717.3 acre tract being more particularly described as follows (all bearings are referenced to the Texas Coordinate System, North American Datum 1983 (NAD 83), South Central Zone):

Commencing at the southwest corner of said 3,719.849 acre tract, the southeast corner of a called 191.415 acre tract of land recorded in the name of J.F.D. Moore Estate Heirs Partnership, LTD. in Volume 2729, Page 2237 of the Deed Records of Fort Bend County (D.R.F.B.C.) and being on the northeasterly right-of-way line of the G. C. & S.F. Railroad (formerly B.B.B. & C. Railroad) (100 feet wide);

Thence, with the westerly line of said 3,719.849 acre tract, the easterly line of said 191.415 acre tract, and the easterly line of a called 640 acre tract of land recorded in the name of J.F.D. Moore Estate Heirs Partnership, Ltd. in said Volume 2729, Page 2237 of the O.P.R.F.B.C., North 02 degrees 49 minutes 03 seconds West, a distance of 2,329.33 feet to the Point of Beginning of the herein described tract;

1.  Thence, with the westerly line of said 3,719.849 acre tract, the easterly line of said 640 acre tract, and the easterly line of a called 2,155 acre tract of land recorded in the name of J.F.D. Moore Estate Heirs Partnership, Ltd. in said Volume 2729, Page 2237 of the O.P.R.F.B.C., North 02 degrees 49 minutes 03 seconds West, at a distance of 4,247.95 feet pass a concrete monument found at the northeast corner of said 640 acre tract and the southeast corner of said 2,155 acre tract, continuing a total a distance of 18,850.37 feet;

Thence, continuing with the westerly line of said 3,719.849 acre tract and the easterly line of said 2,155 acre tract, the following three (3) courses:

1.  North 03 degrees 02 minutes 24 seconds West, a distance of 2,781.00 feet;

2.  North 03 degrees 06 minutes 21 seconds West, a distance of 932.80 feet;

3.  North 02 degrees 49 minutes 21 seconds West, a distance of 1,502.80 feet to the westerly high bank of the Brazos River;

Thence, generally with said westerly high bank of the Brazos River, the following eleven (11) courses:

4.  South 72 degrees 44 minutes 02 seconds East, a distance of 14.76 feet;

5.  South 78 degrees 41 minutes 04 seconds East, a distance of 417.66 feet;

6.  South 75 degrees 00 minutes 02 seconds East, a distance of 229.22 feet;

7.  South 70 degrees 02 minutes 45 seconds East, a distance of 180.03 feet;

8.  South 67 degrees 00 minutes 16 seconds East, a distance of 165.02 feet;

9.  South 61 degrees 35 minutes 51 seconds East, a distance of 207.59 feet;

10.  South 63 degrees 19 minutes 42 seconds East, a distance of 248.21 feet;

11.  South 56 degrees 54 minutes 06 seconds East, a distance of 204.89 feet;

12.  South 44 degrees 17 minutes 52 seconds East, a distance of 257.06 feet;

13.  South 26 degrees 27 minutes 30 seconds East, a distance of 215.03 feet;

14.  South 32 degrees 02 minutes 31 seconds East, a distance of 22.36 feet;

15.  Thence, across aforesaid 3,719.849 acre tract, 4,373.78 feet along the arc of a curve to the left, said curve having a central angle of 94 degrees 55 minutes 26 seconds, a radius of 2,640.00 feet and a chord that bears South 00 degrees 36 minutes 58 seconds East, a distance of 3,890.45 feet;

16.  Thence, continuing across said 3,719.849 acre tract, 4,150.57 feet along the arc of a curve to the left, said curve having a central angle of 90 degrees 04 minutes 47 seconds, a radius of 2,640.00 feet and a chord that bears South 44 degrees 24 minutes 01 seconds East, a distance of 3,736.12 feet to aforesaid westerly high bank of the Brazos River;

Thence, generally with said westerly high bank of the Brazos River, the following eighty (80) courses:

17.  South 34 degrees 28 minutes 13 seconds East, a distance of 433.92 feet;

18.  South 41 degrees 29 minutes 22 seconds East, a distance of 354.45 feet;

19.  South 59 degrees 43 minutes 40 seconds East, a distance of 178.25 feet;

20.  South 64 degrees 55 minutes 25 seconds East, a distance of 217.46 feet;

21.  South 45 degrees 36 minutes 07 seconds East, a distance of 156.54 feet;

22.  South 61 degrees 02 minutes 24 seconds East, a distance of 290.45 feet;

23.  South 62 degrees 55 minutes 23 seconds East, a distance of 220.95 feet;

24.  South 51 degrees 38 minutes 39 seconds East, a distance of 205.63 feet;

25.  South 50 degrees 33 minutes 15 seconds East, a distance of 241.04 feet;

26.  South 64 degrees 47 minutes 04 seconds East, a distance of 180.54 feet;

27.  South 47 degrees 48 minutes 24 seconds East, a distance of 192.00 feet;

28.  South 37 degrees 06 minutes 08 seconds East, a distance of 227.18 feet;

29.  South 36 degrees 59 minutes 46 seconds East, a distance of 159.52 feet;

30.  South 43 degrees 31 minutes 03 seconds East, a distance of 503.94 feet;

31.  South 40 degrees 03 minutes 12 seconds East, a distance of 672.25 feet;

32.  South 33 degrees 07 minutes 00 seconds East, a distance of 172.05 feet;

33.  South 35 degrees 00 minutes 51 seconds East, a distance of 236.49 feet;

34.  South 40 degrees 01 minutes 43 seconds East, a distance of 214.33 feet;

35.  South 32 degrees 15 minutes 15 seconds East, a distance of 219.68 feet;

36.  South 26 degrees 38 minutes 11 seconds East, a distance of 222.66 feet;

37.  South 31 degrees 11 minutes 43 seconds East, a distance of 242.07 feet;

38.  South 29 degrees 50 minutes 26 seconds East, a distance of 263.79 feet;

39.  South 12 degrees 47 minutes 53 seconds East, a distance of 200.25 feet;

40.  South 20 degrees 55 minutes 56 seconds East, a distance of 300.61 feet;

41.  South 20 degrees 01 minutes 43 seconds East, a distance of 209.00 feet;

42.  South 12 degrees 26 minutes 57 seconds East, a distance of 254.24 feet;

43.  South 08 degrees 08 minutes 54 seconds East, a distance of 202.50 feet;

44.  South 03 degrees 28 minutes 48 seconds East, a distance of 146.68 feet;

45.  South 00 degrees 08 minutes 48 seconds East, a distance of 268.65 feet;

46.  South 08 degrees 27 minutes 15 seconds West, a distance of 223.96 feet;

47.  South 13 degrees 58 minutes 09 seconds West, a distance of 181.17 feet;

48.  South 25 degrees 23 minutes 14 seconds West, a distance of 155.08 feet;

49.  South 35 degrees 06 minutes 01 seconds West, a distance of 590.15 feet;

50.  South 31 degrees 39 minutes 21 seconds West, a distance of 175.38 feet;

51.  South 28 degrees 17 minutes 22 seconds West, a distance of 237.30 feet;

52.  South 37 degrees 20 minutes 10 seconds West, a distance of 237.30 feet;

53.  South 38 degrees 08 minutes 03 seconds West, a distance of 225.32 feet;

54.  South 35 degrees 15 minutes 38 seconds West, a distance of 248.60 feet;

55.  South 35 degrees 51 minutes 07 seconds West, a distance of 309.84 feet;

56.  South 23 degrees 27 minutes 15 seconds West, a distance of 320.51 feet;

57.  South 13 degrees 04 minutes 47 seconds East, a distance of 261.27 feet;

58.  South 25 degrees 58 minutes 32 seconds West, a distance of 91.14 feet;

59.  South 04 degrees 23 minutes 14 seconds West, a distance of 138.87 feet;

60.  South 04 degrees 29 minutes 37 seconds West, a distance of 127.72 feet;

61.  South 17 degrees 35 minutes 25 seconds East, a distance of 89.22 feet;

62.  South 21 degrees 29 minutes 39 seconds East, a distance of 246.80 feet;

63.  South 29 degrees 42 minutes 34 seconds East, a distance of 301.29 feet;

64.  South 08 degrees 28 minutes 17 seconds East, a distance of 128.18 feet;

65.  South 20 degrees 05 minutes 47 seconds East, a distance of 206.11 feet;

66.  South 30 degrees 59 minutes 24 seconds East, a distance of 377.55 feet;

67.  South 29 degrees 33 minutes 11 seconds East, a distance of 275.71 feet;

68.  South 30 degrees 19 minutes 21 seconds East, a distance of 254.07 feet;

69.  South 33 degrees 15 minutes 30 seconds East, a distance of 219.30 feet;

70.  South 19 degrees 03 minutes 31 seconds East, a distance of 171.86 feet;

71.  South 23 degrees 26 minutes 15 seconds East, a distance of 272.19 feet;

72.  South 12 degrees 44 minutes 43 seconds East, a distance of 240.72 feet;

73.  South 09 degrees 23 minutes 30 seconds East, a distance of 186.65 feet;

74.  South 01 degrees 54 minutes 46 seconds East, a distance of 227.10 feet;

75.  South 02 degrees 07 minutes 28 seconds East, a distance of 126.95 feet;

76.  South 02 degrees 18 minutes 17 seconds West, a distance of 214.97 feet;

77.  South 03 degrees 32 minutes 30 seconds West, a distance of 166.10 feet;

78.  South 06 degrees 43 minutes 00 seconds West, a distance of 227.41 feet;

79.  South 02 degrees 44 minutes 35 seconds West, a distance of 227.16 feet;

80.  South 11 degrees 11 minutes 12 seconds West, a distance of 78.67 feet;

81.  South 05 degrees 39 minutes 02 seconds West, a distance of 321.46 feet;

82.  South 05 degrees 41 minutes 54 seconds East, a distance of 227.87 feet;

83.  South 14 degrees 53 minutes 08 seconds West, a distance of 319.90 feet;

84.  South 07 degrees 34 minutes 26 seconds West, a distance of 174.93 feet;

85.  South 08 degrees 13 minutes 38 seconds West, a distance of 212.27 feet;

86.  South 03 degrees 31 minutes 38 seconds West, a distance of 211.05 feet;

87.  South 04 degrees 57 minutes 34 seconds West, a distance of 190.45 feet;

88.  South 13 degrees 55 minutes 15 seconds West, a distance of 187.57 feet;

89.  South 02 degrees 38 minutes 58 seconds West, a distance of 111.89 feet;

90.  South 04 degrees 24 minutes 56 seconds East, a distance of 188.93 feet;

91.  South 06 degrees 34 minutes 35 seconds East, a distance of 211.19 feet;

92.  South 29 degrees 48 minutes 08 seconds East, a distance of 152.26 feet;

93.  South 36 degrees 12 minutes 51 seconds East, a distance of 223.21 feet;

94.  South 44 degrees 17 minutes 23 seconds East, a distance of 255.63 feet;

95.  South 50 degrees 13 minutes 52 seconds East, a distance of 260.97 feet;

96.  South 49 degrees 01 minutes 22 seconds East, a distance of 40.16 feet;

Thence, across aforesaid 3,719.849 acre tract, the following three (3) courses:

97.  North 76 degrees 00 minutes 11 seconds West, a distance of 2,189.13 feet;

98.  North 73 degrees 24 minutes 35 seconds West, a distance of 140.77 feet;

99.  5,835.67 feet along the arc of a curve to the left, said curve having a central angle of 63 degrees 19 minutes 32 seconds, a radius of 5,280.00 feet and a chord that bears South 76 degrees 18 minutes 17 seconds West, a distance of 5,543.15 feet to the Point of Beginning and containing 2,717.3 acres of land.

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

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

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

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

SECTION 4.  (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8079A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8079A.0307 to read as follows:

Sec. 8079A.0307.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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