

1-1 By: Kitzman (Senate Sponsor - Huffman) H.B. No. 5362  
 1-2 (In the Senate - Received from the House May 3, 2023;  
 1-3 May 4, 2023, read first time and referred to Committee on Local  
 1-4 Government; May 10, 2023, reported favorably by the following  
 1-5 vote: Yeas 9, Nays 0; May 10, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the creation of the Waller County Municipal Utility  
 1-20 District No. 57; granting a limited power of eminent domain;  
 1-21 providing authority to issue bonds; providing authority to impose  
 1-22 assessments, fees, and taxes.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-25 Code, is amended by adding Chapter 8007A to read as follows:

1-26 CHAPTER 8007A. WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 57

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8007A.0101. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "Commission" means the Texas Commission on  
 1-31 Environmental Quality.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the Waller County Municipal  
 1-34 Utility District No. 57.

1-35 Sec. 8007A.0102. NATURE OF DISTRICT. The district is a  
 1-36 municipal utility district created under Section 59, Article XVI,  
 1-37 Texas Constitution.

1-38 Sec. 8007A.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-39 REQUIRED. The temporary directors shall hold an election to  
 1-40 confirm the creation of the district and to elect five permanent  
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 8007A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 8007A.0103 until each municipality in whose corporate limits or  
 1-45 extraterritorial jurisdiction the district is located has  
 1-46 consented by ordinance or resolution to the creation of the  
 1-47 district and to the inclusion of land in the district as required by  
 1-48 applicable law.

1-49 Sec. 8007A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.  
 1-50 (a) The district is created to serve a public purpose and benefit.

1-51 (b) The district is created to accomplish the purposes of:

1-52 (1) a municipal utility district as provided by  
 1-53 general law and Section 59, Article XVI, Texas Constitution; and

1-54 (2) Section 52, Article III, Texas Constitution, that  
 1-55 relate to the construction, acquisition, improvement, operation,  
 1-56 or maintenance of macadamized, graveled, or paved roads, or  
 1-57 improvements, including storm drainage, in aid of those roads.

1-58 Sec. 8007A.0106. INITIAL DISTRICT TERRITORY. (a) The  
 1-59 district is initially composed of the territory described by  
 1-60 Section 2 of the Act enacting this chapter.

1-61 (b) The boundaries and field notes contained in Section 2 of

2-1 the Act enacting this chapter form a closure. A mistake made in the  
 2-2 field notes or in copying the field notes in the legislative process  
 2-3 does not affect the district's:

- 2-4 (1) organization, existence, or validity;
- 2-5 (2) right to issue any type of bond for the purposes  
 2-6 for which the district is created or to pay the principal of and  
 2-7 interest on a bond;
- 2-8 (3) right to impose a tax; or
- 2-9 (4) legality or operation.

2-10 SUBCHAPTER B. BOARD OF DIRECTORS

2-11 Sec. 8007A.0201. GOVERNING BODY; TERMS. (a) The district  
 2-12 is governed by a board of five elected directors.

2-13 (b) Except as provided by Section 8007A.0202, directors  
 2-14 serve staggered four-year terms.

2-15 Sec. 8007A.0202. TEMPORARY DIRECTORS. (a) On or after the  
 2-16 effective date of the Act enacting this chapter, the owner or owners  
 2-17 of a majority of the assessed value of the real property in the  
 2-18 district may submit a petition to the commission requesting that  
 2-19 the commission appoint as temporary directors the five persons  
 2-20 named in the petition. The commission shall appoint as temporary  
 2-21 directors the five persons named in the petition.

2-22 (b) Temporary directors serve until the earlier of:

2-23 (1) the date permanent directors are elected under  
 2-24 Section 8007A.0103; or

2-25 (2) the fourth anniversary of the effective date of  
 2-26 the Act enacting this chapter.

2-27 (c) If permanent directors have not been elected under  
 2-28 Section 8007A.0103 and the terms of the temporary directors have  
 2-29 expired, successor temporary directors shall be appointed or  
 2-30 reappointed as provided by Subsection (d) to serve terms that  
 2-31 expire on the earlier of:

2-32 (1) the date permanent directors are elected under  
 2-33 Section 8007A.0103; or

2-34 (2) the fourth anniversary of the date of the  
 2-35 appointment or reappointment.

2-36 (d) If Subsection (c) applies, the owner or owners of a  
 2-37 majority of the assessed value of the real property in the district  
 2-38 may submit a petition to the commission requesting that the  
 2-39 commission appoint as successor temporary directors the five  
 2-40 persons named in the petition. The commission shall appoint as  
 2-41 successor temporary directors the five persons named in the  
 2-42 petition.

2-43 SUBCHAPTER C. POWERS AND DUTIES

2-44 Sec. 8007A.0301. GENERAL POWERS AND DUTIES. The district  
 2-45 has the powers and duties necessary to accomplish the purposes for  
 2-46 which the district is created.

2-47 Sec. 8007A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-48 DUTIES. The district has the powers and duties provided by the  
 2-49 general law of this state, including Chapters 49 and 54, Water Code,  
 2-50 applicable to municipal utility districts created under Section 59,  
 2-51 Article XVI, Texas Constitution.

2-52 Sec. 8007A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
 2-53 Section 52, Article III, Texas Constitution, the district may  
 2-54 design, acquire, construct, finance, issue bonds for, improve,  
 2-55 operate, maintain, and convey to this state, a county, or a  
 2-56 municipality for operation and maintenance macadamized, graveled,  
 2-57 or paved roads, or improvements, including storm drainage, in aid  
 2-58 of those roads.

2-59 Sec. 8007A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-60 road project must meet all applicable construction standards,  
 2-61 zoning and subdivision requirements, and regulations of each  
 2-62 municipality in whose corporate limits or extraterritorial  
 2-63 jurisdiction the road project is located.

2-64 (b) If a road project is not located in the corporate limits  
 2-65 or extraterritorial jurisdiction of a municipality, the road  
 2-66 project must meet all applicable construction standards,  
 2-67 subdivision requirements, and regulations of each county in which  
 2-68 the road project is located.

2-69 (c) If the state will maintain and operate the road, the

3-1 Texas Transportation Commission must approve the plans and  
 3-2 specifications of the road project.  
 3-3 Sec. 8007A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 3-4 ORDINANCE OR RESOLUTION. The district shall comply with all  
 3-5 applicable requirements of any ordinance or resolution that is  
 3-6 adopted under Section 54.016 or 54.0165, Water Code, and that  
 3-7 consents to the creation of the district or to the inclusion of land  
 3-8 in the district.  
 3-9 Sec. 8007A.0306. DIVISION OF DISTRICT. (a) The board, on  
 3-10 its own motion or on receipt of a petition signed by the owner or  
 3-11 owners of a majority of the assessed value of the real property in  
 3-12 the district, may adopt an order dividing the district.  
 3-13 (b) An order dividing a district may create one or more new  
 3-14 districts and may provide for the continuation of the district.  
 3-15 (c) An order dividing the district shall:  
 3-16 (1) name any new district;  
 3-17 (2) include the metes and bounds description of the  
 3-18 territory of each of the districts;  
 3-19 (3) appoint temporary directors for any new district;  
 3-20 and  
 3-21 (4) provide for the division of assets and liabilities  
 3-22 between the districts.  
 3-23 (d) The board may adopt an order dividing the district  
 3-24 before or after the date the board holds an election to confirm the  
 3-25 district's creation.  
 3-26 (e) The district may be divided only if the district:  
 3-27 (1) has never issued any bonds; and  
 3-28 (2) is not imposing ad valorem taxes.  
 3-29 (f) A new district created by the division of the district  
 3-30 may not, at the time the new district is created, contain any land  
 3-31 outside the area described by Section 2 of the Act enacting this  
 3-32 chapter.  
 3-33 (g) On or before the 30th day after the date of adoption of  
 3-34 an order dividing the district, the district shall file the order  
 3-35 with the commission and record the order in the real property  
 3-36 records of each county in which the district is located.  
 3-37 (h) This chapter applies to any new district created by the  
 3-38 division of the district, and a new district has all the powers and  
 3-39 duties of the district.  
 3-40 (i) A new district created by the division of the district  
 3-41 shall hold a confirmation and directors' election.  
 3-42 (j) If the creation of the new district is confirmed, the  
 3-43 new district shall provide the election date and results to the  
 3-44 commission.  
 3-45 (k) Any new district created by the division of the district  
 3-46 must hold an election as required by this chapter to obtain voter  
 3-47 approval before the district may impose a maintenance tax or issue  
 3-48 bonds payable wholly or partly from ad valorem taxes.  
 3-49 (l) The district may continue to rely on confirmation,  
 3-50 directors', bond, or tax elections held prior to the division.  
 3-51 (m) Municipal consent to the creation of the district and to  
 3-52 the inclusion of land in the district acts as municipal consent to  
 3-53 the creation of any new district created by the division of the  
 3-54 district and to the inclusion of land in the new district.  
 3-55 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS  
 3-56 Sec. 8007A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
 3-57 The district may issue, without an election, bonds and other  
 3-58 obligations secured by:  
 3-59 (1) revenue other than ad valorem taxes; or  
 3-60 (2) contract payments described by  
 3-61 Section 8007A.0403.  
 3-62 (b) The district must hold an election in the manner  
 3-63 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 3-64 before the district may impose an ad valorem tax or issue bonds  
 3-65 payable from ad valorem taxes.  
 3-66 (c) The district may not issue bonds payable from ad valorem  
 3-67 taxes to finance a road project unless the issuance is approved by a  
 3-68 vote of a two-thirds majority of the district voters voting at an  
 3-69 election held for that purpose.

4-1 Sec. 8007A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
4-2 authorized at an election held under Section 8007A.0401, the  
4-3 district may impose an operation and maintenance tax on taxable  
4-4 property in the district in accordance with Section 49.107, Water  
4-5 Code.

4-6 (b) The board shall determine the tax rate. The rate may not  
4-7 exceed the rate approved at the election.

4-8 Sec. 8007A.0403. CONTRACT TAXES. (a) In accordance with  
4-9 Section 49.108, Water Code, the district may impose a tax other than  
4-10 an operation and maintenance tax and use the revenue derived from  
4-11 the tax to make payments under a contract after the provisions of  
4-12 the contract have been approved by a majority of the district voters  
4-13 voting at an election held for that purpose.

4-14 (b) A contract approved by the district voters may contain a  
4-15 provision stating that the contract may be modified or amended by  
4-16 the board without further voter approval.

4-17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-18 Sec. 8007A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
4-19 OBLIGATIONS. The district may issue bonds or other obligations  
4-20 payable wholly or partly from ad valorem taxes, impact fees,  
4-21 revenue, contract payments, grants, or other district money, or any  
4-22 combination of those sources, to pay for any authorized district  
4-23 purpose.

4-24 Sec. 8007A.0502. TAXES FOR BONDS. At the time the district  
4-25 issues bonds payable wholly or partly from ad valorem taxes, the  
4-26 board shall provide for the annual imposition of a continuing  
4-27 direct ad valorem tax, without limit as to rate or amount, while all  
4-28 or part of the bonds are outstanding as required and in the manner  
4-29 provided by Sections 54.601 and 54.602, Water Code.

4-30 Sec. 8007A.0503. BONDS FOR ROAD PROJECTS. At the time of  
4-31 issuance, the total principal amount of bonds or other obligations  
4-32 issued or incurred to finance road projects and payable from ad  
4-33 valorem taxes may not exceed one-fourth of the assessed value of the  
4-34 real property in the district.

4-35 SECTION 2. The Waller County Municipal Utility District  
4-36 No. 57 initially includes all the territory contained in the  
4-37 following area:

4-38 FIELD NOTES FOR A 643.1285 ACRE TRACT OF LAND IN THE T. S.  
4-39 REESE SURVEY, ABSTRACT 331, WALLER COUNTY, TEXAS, BEING THAT  
4-40 CERTAIN CALLED 320 ACRE TRACT (EAST 1/2) AND THAT CERTAIN CALLED 320  
4-41 ACRE TRACT (WEST 1/2) DESCRIBED IN DEED RECORDED IN VOLUME 371, PAGE  
4-42 875, DEED RECORDS, WALLER COUNTY, TEXAS, DISTANCES ARE GEODETIC,  
4-43 BEARINGS ARE GRID, COORDINATES ARE TEXAS STATE PLANE SOUTH CENTRAL  
4-44 ZONE, NAD-27, BASED UPON GPS OBSERVATION MADE ON FEBRUARY 23, 2004,  
4-45 PROCESSED TO NGS CORS DATA AND CONVERTED TO NAD-27 USING BLUE MARBLE  
4-46 GEOGRAPHIC CALCULATOR V.4. SCALE FACTOR USED IS 0.99989622.

4-47 BEGINNING at a cotton picker spindle set for the northeast  
4-48 corner of the T. S. Reese Survey, Abstract 331, same being the  
4-49 northwest corner of the adjoining H. & T.C. Railroad Company  
4-50 Survey, Section 99, Abstract 167, and being in the south line of the  
4-51 adjoining H. & T.C. Railroad Company Survey, Section 79, Abstract  
4-52 157, said point also being the northeast corner of said called 320  
4-53 acre tract (East 1/2), the northwest corner of an adjoining called  
4-54 640 acre tract described in deed recorded in Volume 371, Page 875,  
4-55 Deed Records, Waller County, Texas, and the northwest corner of an  
4-56 adjoining 646.8295 acre tract (Tract 3) surveyed by the undersigned  
4-57 this date, being in the south line of an adjoining called 98.72 acre  
4-58 tract described in deed recorded in Volume 0621, Page 210, Official  
4-59 Records, Waller County, Texas, and being the northeast corner and  
4-60 Place of Beginning of the herein described 643.1285 acre tract of  
4-61 land, said point being in Morton Road and having coordinates of  
4-62 X=2,980,000 870.52, Y=733,805.59;

4-63 THENCE South 01 degree 59 minutes 55 seconds East along the  
4-64 common line of the T. S. Reese Survey, Abstract 331, and said  
4-65 adjoining H. & T.C. Railroad Company Survey, Section 99, Abstract  
4-66 167, the common line of said called 320 acre tract (East 1/2) and  
4-67 said adjoining called 640 acre tract, and the common line of the  
4-68 herein described 643.1285 acre tract and said adjoining 646.8295  
4-69 acre tract (Tract 3), as located in Shell Plant Road, 5,306.04 feet

5-1 to a 1/2 inch iron pipe with cap marked "Kalkomey Surveying" found  
5-2 on said line for the southeast corner of the herein described tract  
5-3 and the southeast corner of said called 320 acre tract (East 1/2),  
5-4 same being the southwest corner of said adjoining called 640 acre  
5-5 tract, the southwest corner of said adjoining 646.8295 acre tract  
5-6 (Tract 3), the northwest corner of an adjoining called 640 acre  
5-7 tract described in deed recorded in Volume 371, Page 875, Deed  
5-8 Records, Waller County, Texas, the northwest corner of an adjoining  
5-9 671.451 acre tract surveyed by the undersigned this date, and the  
5-10 northeast corner of an adjoining called Northeast  $\frac{1}{4}$  of Section 77,  
5-11 described in deed recorded in Volume 442, Page 928, Deed Records,  
5-12 Waller County, Texas, said point also being the southeast corner of  
5-13 said T. S. Reese Survey, Abstract 331, southwest corner of said  
5-14 adjoining H. & T.C. Railroad Company Survey, Section 99, Abstract  
5-15 167, the northwest corner of the adjoining J. G. Bennett Survey,  
5-16 Abstract 291, and the northeast corner of the adjoining H. & T.C.  
5-17 Railroad Company Survey, Section 77, Abstract 156;

5-18 THENCE South 88 degrees 04 minutes 24 seconds West along the  
5-19 common line of the T. S. Reese Survey, Abstract 331, and said  
5-20 adjoining H. & T.C. Railroad Company Survey, Section 77, Abstract  
5-21 156, same being the common line of the herein described tract and  
5-22 said adjoining called Northeast of Section 77, at 2,640.26 feet  
5-23 pass a 3/4 inch iron rod found on said line for the northwest corner  
5-24 of said adjoining called Northeast  $\frac{1}{4}$  of Section 77, same being the  
5-25 northeast corner of an adjoining called 160.104 acre tract (Tract  
5-26 1) described in deed recorded in Volume 475, Page 502, Deed Records,  
5-27 Waller County, Texas, and continuing for a total distance of  
5-28 5,280.46 feet to a  $\frac{1}{2}$  inch iron pipe with cap marked "Kalkomey  
5-29 Surveying" set for the southwest corner of the herein described  
5-30 tract and the southwest corner of said called 320 acre tract (West  
5-31  $\frac{1}{2}$ ), same being the northwest corner of said adjoining called  
5-32 160.104 acre tract (Tract 1), and being in the east line of an  
5-33 adjoining called 46.7119 acre tract (Tract 6) described in deed  
5-34 recorded in Volume 475, Page 502, Deed Records, Waller County,  
5-35 Texas, said point also being the southwest corner of the T. S. Reese  
5-36 Survey, Abstract 331, the northwest corner of said adjoining H. &  
5-37 T.C. Railroad Company Survey, Section 77, Abstract 156, the  
5-38 northeast corner of the adjoining T. S. Reese Survey, Abstract 329,  
5-39 and the southeast corner of the adjoining H. & T.C. Railroad Company  
5-40 Survey, Section 71, Abstract 153;

5-41 THENCE North 02 degrees 01 minute 19 seconds West along the  
5-42 common line of the T. S. Reese Survey, Abstract 331, and said  
5-43 adjoining H. & T.C. Railroad Company Survey, Section 71, Abstract  
5-44 153, being the west line of the herein described tract and the west  
5-45 line of said called 320 acre tract (West  $\frac{1}{2}$ ), same being the east  
5-46 line of said adjoining called 46.7119 acre tract (Tract 6), and  
5-47 along the east line of an adjoining called 157.6620 acre tract  
5-48 (Tract 5) described in deed recorded in Volume 475, Page 502, Deed  
5-49 Records, Waller County, Texas, at 2,643.71 feet pass a 1/2 inch iron  
5-50 pipe with cap marked "Kalkomey Surveying" set on said line for the  
5-51 northeast corner of said adjoining called 157.6620 acre tract  
5-52 (Tract 5), same being the southeast corner of an adjoining called 80  
5-53 acre tract described in deed recorded in Volume 47, Page 109, Deed  
5-54 Records, Waller County, Texas, at 3,961.25 feet pass a 1/2 inch iron  
5-55 pipe with cap marked "Kalkomey Surveying" set on said line for the  
5-56 northeast corner of said adjoining called 80 acre tract, same being  
5-57 the southeast corner of an adjoining called 39 acre tract described  
5-58 in deed recorded in Volume 371, Page 875, Deed Records, Waller  
5-59 County, Texas, same being the southeast corner of an adjoining  
5-60 40.7498 acre tract (Tract 1) surveyed by the undersigned this date,  
5-61 at 5,242.89 feet pass a 1/2 inch iron pipe with cap marked "Kalkomey  
5-62 Surveying" set on said line for reference, at 5,262.89 feet pass a  
5-63 1/2 inch iron pipe with cap marked "Kalkomey Surveying" set on said  
5-64 line for reference, and continuing for total distance of 5,302.89  
5-65 feet to a 1/2 inch iron rod found for the northwest corner of the  
5-66 herein described tract and the northwest corner of said called 320  
5-67 acre tract (West  $\frac{1}{2}$ ), same being the northeast corner of said  
5-68 adjoining called 39 acre tract, the northeast corner of said  
5-69 adjoining 40.7498 acre tract, the southeast corner of an adjoining

6-1 called 1.8471 acre tract (Exhibit "C"), and the southwest corner of  
6-2 an adjoining called 3,590 acre tract described in deed recorded in  
6-3 Volume 166, Page 494, Deed Records, Waller County, Texas, said  
6-4 point also being the northwest corner of the T. S. Reese Survey,  
6-5 Abstract 331, the northeast corner of said adjoining H. & T.C.  
6-6 Railroad Company Survey, Section 71, Abstract 153, the southeast  
6-7 corner of the adjoining T. S. Reese Survey, Abstract 328, and the  
6-8 southwest corner of the aforementioned adjoining H. & T.C. Railroad  
6-9 Company Survey, Section 79, Abstract 157, being in Morton Road and  
6-10 having coordinates of X=2,975,591.74, Y=733,624.86;

6-11 THENCE North 88 degrees 02 minutes 21 seconds East along the  
6-12 common line of the T. S. Reese Survey, Abstract 331, and said  
6-13 adjoining H. & T.C. Railroad Company Survey, Section 79, Abstract  
6-14 157, being the north line the herein described tract and the north  
6-15 line of said called 320 acre tract (West 1/2), same being the south  
6-16 line of said adjoining called 3,590 acre tract, and along the south  
6-17 line of an adjoining called 6.027 acre tract described in deed  
6-18 recorded in Volume 397, Page 65, Deed Records, Waller County,  
6-19 Texas, as located in Morton Road, 5,282.42 feet to the Place of  
6-20 Beginning and containing 643.1285 acres of land.

6-21 SECTION 3. (a) The legal notice of the intention to  
6-22 introduce this Act, setting forth the general substance of this  
6-23 Act, has been published as provided by law, and the notice and a  
6-24 copy of this Act have been furnished to all persons, agencies,  
6-25 officials, or entities to which they are required to be furnished  
6-26 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6-27 Government Code.

6-28 (b) The governor, one of the required recipients, has  
6-29 submitted the notice and Act to the Texas Commission on  
6-30 Environmental Quality.

6-31 (c) The Texas Commission on Environmental Quality has filed  
6-32 its recommendations relating to this Act with the governor, the  
6-33 lieutenant governor, and the speaker of the house of  
6-34 representatives within the required time.

6-35 (d) All requirements of the constitution and laws of this  
6-36 state and the rules and procedures of the legislature with respect  
6-37 to the notice, introduction, and passage of this Act are fulfilled  
6-38 and accomplished.

6-39 SECTION 4. (a) If this Act does not receive a two-thirds  
6-40 vote of all the members elected to each house, Subchapter C, Chapter  
6-41 8007A, Special District Local Laws Code, as added by Section 1 of  
6-42 this Act, is amended by adding Section 8007A.0307 to read as  
6-43 follows:

6-44 Sec. 8007A.0307. NO EMINENT DOMAIN POWER. The district may  
6-45 not exercise the power of eminent domain.

6-46 (b) This section is not intended to be an expression of a  
6-47 legislative interpretation of the requirements of Section 17(c),  
6-48 Article I, Texas Constitution.

6-49 SECTION 5. This Act takes effect immediately if it receives  
6-50 a vote of two-thirds of all the members elected to each house, as  
6-51 provided by Section 39, Article III, Texas Constitution. If this  
6-52 Act does not receive the vote necessary for immediate effect, this  
6-53 Act takes effect September 1, 2023.

6-54 \* \* \* \* \*