

By: Wilson

H.B. No. 5381

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Theon Ranches Municipal Utility District No. 4; 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 7964A to read as follows:

CHAPTER 7964A. THEON RANCHES MUNICIPAL UTILITY DISTRICT NO. 4

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7964A.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 Theon Ranches Municipal Utility District No. 4.

Sec. 7964A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7964A.0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

1       Sec. 7964A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section  
3 7964A.0103 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district as required by  
7 applicable law.

8       Sec. 7964A.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. 7964A.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. 7964A.0201. GOVERNING BODY; TERMS. (a) The district  
5 is governed by a board of five elected directors.

6           (b) Except as provided by Section 7964A.0202, directors  
7 serve staggered four-year terms.

8           Sec. 7964A.0202. TEMPORARY DIRECTORS. (a) The temporary  
9 board consists of:

10           (1) Nathan Thornill;

11           (2) Andrew Li;

12           (3) Jacob Hill;

13           (4) Daniel Anderson; and

14           (5) Jonathan Wilson.

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

16           (1) the date permanent directors are elected under  
17 Section 7964A.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 7964A.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 7964A.0103; or

27           (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. 7964A.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7964A.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. 7964A.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. 7964A.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. 7964A.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.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7964A.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 7964A.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.

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. 7964A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
6 authorized at an election held under Section 7964A.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. 7964A.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. 7964A.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. 7964A.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. 7964A.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 Theon Ranches Municipal Utility District  
13 No. 4 initially includes all the territory contained in the  
14 following area:

15 BEING 238.46 acres of land, situated in the Basil Durbin Survey,  
16 Abstract No. 175 and the I. & G.N.R.R. Co. Survey, Abstract  
17 No. 340, in Williamson County, Texas, said 238.46 acres being three  
18 (3) tracts of land, of record to Cobb Springs Ranch, LTD, Tract 1,  
19 183.752 Acres, Tract 2, 54.706 Acres and Tract 3, 0.084 Acres, in  
20 Exhibit B, Document No. 9838601, Official Public Records  
21 Williamson County, Texas (OPRWCT). This tract was surveyed on the  
22 ground in October of 2021 under the direction of William F. Forest,  
23 Jr., Registered Professional Land Surveyor No. 1847. Survey note:  
24 The bearing basis for this survey is the State Plane Coordinate  
25 System, Texas Central Zone (4203), and being more particularly  
26 described by metes and bounds as follows:

27 BEGINNING, at a 5/8" iron pipe found (steel pipe), at the Southwest

H.B. No. 5381

1 corner of said 183.752 acre tract, for the Southwest corner hereof,  
2 same being the Southeast corner of a 121.867 acre tract, of record  
3 to Eyemagine, LLC, Document No. 2015037989, described in a deed to  
4 James E. Bartosh aka James Bartosh and wife Dana A. Bartosh aka Dana  
5 Bartosh, Document No. 9912902, (OPRWCT), said point being a point  
6 in the North Right-of-Way line of Farm to Market Road 972 (FM 972),  
7 said point being on or near the common Survey line of the I. &  
8 G.N.R.R. Co. Survey, Abstract No. 340 and the Thomas Malone Survey,  
9 Abstract No. 445, from which a TXDOT Type I concrete marker found,  
10 bears: N 72°32'13" W, 1254.46 feet,  
11 THENCE, departing said Right-of-Way line, with the common boundary  
12 line of said 183.752 acre tract and said 121.867 acre tract, along  
13 or near a fence, the following two (2) courses and distances:  
14 1. N 16°37'37" E, crossing the common Survey line of the I. &  
15 G.N.R.R. Co. Survey, Abstract No. 340 and the Basil Durbin Survey,  
16 Abstract No. 175, in all a total distance of 2216.95 feet, to a 5/8"  
17 iron pipe found, for an angle point hereof,  
18 2. N 16°40'08" E, 1043.56 feet, to a 1/2" capped iron pin set,  
19 marked "FOREST RPLS 1847", for an ell corner hereof, said point  
20 being the Southeast corner of said 0.084 acre tract, from which a  
21 60D nail found, at the apparent Northwest corner of said 183.752  
22 acre tract, bears: N 16°58'50" E, 20.39 feet,  
23 THENCE, with the common boundary line of said 0.084 acre tract and  
24 said 121.867 acre tract, along or near a fence, the following two  
25 (2) courses and distances:  
26 1. N 72°00'23" W, 172.03 feet, to a steel cotton gin spindle set,  
27 for an angle point hereof, said point being the Southwest corner of



H.B. No. 5381

1 said 0.084 acre tract,  
2 2. N 39°09'44" W, 24.01 feet, to a 1/2" capped iron pin set, marked  
3 "FOREST RPLS 1847", for an angle point hereof, said point being the  
4 West corner of said 0.084 acre tract, same being in the South line  
5 of a 54.58 acre tract, called the Second Tract, in a document from  
6 AF Czarowitz to Francis Czarowitz, Volume 472, Page 508, (DRWCT),  
7 THENCE, with the common boundary line of said 54.706 acre tract and  
8 said 121.867 acre tract, along or near a fence, N 72°29'35" W,  
9 1418.62 feet, to a 1/2" iron pin found, at the Southwest corner of  
10 said 54.706 acre tract, for an ell corner hereof, said point being a  
11 point in the East boundary line of a 199.5 acre tract, of record to  
12 Timothy J.Vrabel, Volume 739, Page 783, (DRWCT),  
13 THENCE, with the common boundary line of said 54.706 acre tract and  
14 said 199.5 acre tract, N 17°03'42" E, 1648.06 feet, to a 1/2" capped  
15 iron pin set, marked "FOREST RPLS 1847", at the Northwest corner of  
16 said 54.706 acre tract, for the Northwest corner hereof, said point  
17 being a point in the South Right-of-Way line of County Road 343,  
18 THENCE, with the North boundary line of said 54.706 acre tract and  
19 the South Right-of-Way line of County Road 343, along or near a  
20 fence, S 73°55'09" E, 1423.87 feet, to a 1/2" iron pin found, at the  
21 Northeast corner of said 54.706 and 54.58 acre tracts, for the upper  
22 Northeast corner hereof, same being in the West line of a 103.75  
23 acre tract, of record to Tim Vrabel, Exhibit A, Document  
24 No. 2006004442, (OPRWCT),  
25 THENCE, departing said Right-of-Way line, with the common boundary  
26 line of said 54.58 acre tract and said 103.75 acre tract, along or  
27 near a fence, S 16°33'24" W, 1676.87 feet, to a 1/2" iron pin found,

H.B. No. 5381

1 at the upper Southeast corner of said 54.706 acre tract, for an ell  
2 corner hereof, same being the Northwest corner of said 0.084 acre  
3 tract, same being the Southwest corner of said 103.75 acre tract,  
4 THENCE, with the common boundary line of said 0.084 acre tract and  
5 said 103.75 acre tract, along or near a fence, S 72°08'13" E, 172.09  
6 feet, to a 60D nail found, at the Northeast corner of said 0.084  
7 acre tract, for an angle point hereof, same being the apparent  
8 Northwest corner of said 183.752 acre tract, same point being the  
9 Northwest corner of a 138.9 acre of record from AF Czarowitz to  
10 Francis Czarowitz, Volume 384, Page 355,  
11 THENCE, with North boundary line of said 138.9 acre tract, along or  
12 near a fence S 72°26'49" E, 1199.87 feet, to a 1/2" capped iron pin  
13 set, marked "FOREST RPLS 1847", at the Northeast corner of a 46 acre  
14 tract, called First tract, of record from AF Czarowitz to Francis  
15 Czarowitz, Volume 472, Page 508,  
16 THENCE, with the North boundary line of said 46 acre tract, along or  
17 near a fence, S 72°21'34" E, 1255.00 feet, to a 1/2" capped iron pin  
18 set, marked "FOREST RPLS 1847", at the Northeast corner of said 46  
19 acre tract, said point being the Northeast corner of said 183.752  
20 acre tract, said point being a point in the West Right-of-Way line  
21 of County Road 301,  
22 THENCE, with the East boundary line of said 183.752 acre tract and  
23 the West Right-of-Way line of County Road 301, along or near a  
24 fence, the following four (4) courses and distances:  
25 1. S 17°07'08" W, 1305.81 feet, to an axle found, for an angle point  
26 hereof,  
27 2. S 17°12'12" W, crossing the common Survey line of the I. &

H.B. No. 5381

1 G.N.R.R. Co. Survey, Abstract No. 340 and the Basil Durbin Survey,  
2 Abstract No. 175, in all a total distance of 1933.86 feet, to a 1/2"  
3 capped iron pin set, marked "FOREST RPLS 1847", at the upper  
4 Southeast corner of said 183.752 acre tract, for the upper  
5 Southeast corner hereof,  
6 3. S 61°31'41" W, 20.39 feet, to a TXDOT Type I concrete marker  
7 found, for an angle point hereof,  
8 4. S 62°05'38" W, 28.57 feet, to a TXDOT Type I concrete marker  
9 found, at the lower Southeast corner of said 183.752 acre tract, for  
10 the lower Southeast corner hereof, said point being a point in the  
11 North Right-of-Way line of FM 972, said point being on or near the  
12 common Survey line of the I. & G.N.R.R. Co. Survey, Abstract No. 340  
13 and the Thomas Malone Survey, Abstract No. 445,  
14 THENCE, with the South boundary line of said 183.752 acre tract and  
15 the North Right-of-Way line of FM 972, along or near a fence, along  
16 or near the common Survey line of the I. & G.N.R.R. Co. Survey,  
17 Abstract No. 340 and the Thomas Malone Survey, Abstract No. 445, N  
18 72°32'28" W, 2390.24 feet, to the POINT OF BEGINNING, and containing  
19 238.46 acres, more or less.

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

27 (b) The governor, one of the required recipients, has

1 submitted the notice and Act to the Texas Commission on  
2 Environmental Quality.

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

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

11 SECTION 4. (a) If this Act does not receive a two-thirds  
12 vote of all the members elected to each house, Subchapter C, Chapter  
13 7964A, Special District Local Laws Code, as added by Section 1 of  
14 this Act, is amended by adding Section 7964A.0306 to read as  
15 follows:

16 Sec. 7964A.0306. NO EMINENT DOMAIN POWER. The district may  
17 not exercise the power of eminent domain.

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

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