

By: Kitzman

H.B. No. 5411

A BILL TO BE ENTITLED

AN ACT

relating to the board of directors and powers and duties of the Twinwood Municipal Utility District No. 1; 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 8026A to read as follows:

CHAPTER 8026A. TWINWOOD MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8026A.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 Twinwood Municipal Utility District No. 1.

Sec. 8026A.0102. NATURE AND PURPOSES OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(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.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8026A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8026A.0202, directors serve staggered four-year terms.

Sec. 8026A.0202. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) LaKeta Morris;
- (2) Brian Alexander;
- (3) Jennifer Ramirez;
- (4) Kyle Jones; and
- (5) John Northington Jr.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected at an election held under Section 49.102, Water Code; 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 49.102, Water Code, 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 at an election held under Section 49.102, Water Code; or

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

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

10 SUBCHAPTER C. POWERS AND DUTIES

11 Sec. 8026A.0301. GENERAL POWERS AND DUTIES. The district
12 has the powers and duties necessary to accomplish the purposes for
13 which the district is created.

14 Sec. 8026A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
15 DUTIES. The district has the powers and duties provided by the
16 general law of this state, including Chapters 49 and 54, Water Code,
17 applicable to municipal utility districts created under Section 59,
18 Article XVI, Texas Constitution.

19 Sec. 8026A.0303. AUTHORITY FOR ROAD PROJECTS. Under
20 Section 52, Article III, Texas Constitution, the district may
21 design, acquire, construct, finance, issue bonds for, improve,
22 operate, maintain, and convey to this state, a county, or a
23 municipality for operation and maintenance macadamized, graveled,
24 or paved roads, or improvements, including storm drainage, in aid
25 of those roads.

26 Sec. 8026A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
27 road project must meet all applicable construction standards,

1 zoning and subdivision requirements, and regulations of each
2 municipality in whose corporate limits or extraterritorial
3 jurisdiction the road project is located.

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

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

12 Sec. 8026A.0305. DIVISION OF DISTRICT. (a) The board, on
13 its own motion or on receipt of a petition signed by the owner or
14 owners of a majority of the assessed value of the real property in
15 the district, may adopt an order dividing the district.

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

18 (c) An order dividing the district shall:

19 (1) name any new district;

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

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

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

26 (d) The board may adopt an order dividing the district
27 before or after the date the board holds an election to confirm the

1 district's creation.

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

3 (1) has never issued any bonds; and

4 (2) is not imposing ad valorem taxes.

5 (f) A new district created by the division of the district
6 may not, at the time the new district is created, contain any land
7 outside the territory of the original district as it existed on
8 January 1, 2023.

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

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

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

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

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

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

27 (m) Municipal consent to the creation of the district and to

1 the inclusion of land in the district acts as municipal consent to
2 the creation of any new district created by the division of the
3 district and to the inclusion of land in the new district.

4 SUBCHAPTER D. BONDS AND OTHER OBLIGATIONS

5 Sec. 8026A.0401. AUTHORITY TO ISSUE BONDS AND OTHER
6 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or
7 other obligations payable wholly or partly from ad valorem taxes,
8 impact fees, revenue, contract payments, grants, or other district
9 money, or any combination of those sources, to pay for a road
10 project authorized by Section 8026A.0303.

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

15 (c) At the time of issuance, the total principal amount of
16 bonds or other obligations issued or incurred to finance road
17 projects and payable from ad valorem taxes may not exceed
18 one-fourth of the assessed value of the real property in the
19 district.

20 Sec. 8026A.0402. TAXES FOR BONDS. At the time the district
21 issues bonds payable wholly or partly from ad valorem taxes, the
22 board shall provide for the annual imposition of a continuing
23 direct ad valorem tax, without limit as to rate or amount, while all
24 or part of the bonds are outstanding as required and in the manner
25 provided by Sections 54.601 and 54.602, Water Code.

26 SECTION 2. The Twinwood Municipal Utility District No. 1
27 retains all the rights, powers, privileges, authority, duties, and

functions that it had before the effective date of this Act.

SECTION 3. (a) The legislature validates and confirms all governmental acts and proceedings of the Twinwood Municipal Utility District No. 1 that were taken before the effective date of this Act.

(b) This section does not apply to any matter that on the effective date of this Act:

(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or

(2) has been held invalid by a final court judgment.

SECTION 4. (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

1 to the notice, introduction, and passage of this Act are fulfilled
2 and accomplished.

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