

1-1 By: Lopez of Cameron H.B. No. 5688
1-2 (Senate Sponsor - Hinojosa of Nueces)
1-3 (In the Senate - Received from the House May 12, 2025;
1-4 May 21, 2025, read first time and referred to Committee on Local
1-5 Government; May 23, 2025, reported favorably by the following
1-6 vote: Yeas 5, Nays 0, 1 present not voting; May 23, 2025, sent to
1-7 printer.)

1-8	COMMITTEE VOTE			
1-9		Yea	Nay	Absent
1-10	Bettencourt	X		
1-11	Middleton			X
1-12	Cook	X		
1-13	Gutierrez			X
1-14	Nichols	X		
1-15	Paxton	X		
1-16	West	X		

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

1-19 relating to the creation of the San Benito Municipal Utility
1-20 District No. 1; 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 8028A to read as follows:

1-26 CHAPTER 8028A. SAN BENITO MUNICIPAL UTILITY DISTRICT NO. 1
1-27 SUBCHAPTER A. GENERAL PROVISIONS
1-28 Sec. 8028A.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 San Benito Municipal Utility
1-34 District No. 1.

1-35 Sec. 8028A.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. 8028A.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 three permanent
1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 8028A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
1-43 temporary directors may not hold an election under Section
1-44 8028A.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. 8028A.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. 8028A.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

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. 8028A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of three elected directors.

(b) Except as provided by Section 8028A.0202, directors serve staggered four-year terms.

Sec. 8028A.0202. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Alma Gabriela Quiroga;
- (2) Mario A. Palomo; and
- (3) Joel Quiroga.

(b) Temporary directors serve until the earlier of:

- (1) the date permanent directors are elected under Section 8028A.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 8028A.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 8028A.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. 8028A.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8028A.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. 8028A.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. 8028A.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.

3-1 Sec. 8028A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
 3-2 ORDINANCE OR RESOLUTION. The district shall comply with all
 3-3 applicable requirements of any ordinance or resolution that is
 3-4 adopted under Section 54.016 or 54.0165, Water Code, and that
 3-5 consents to the creation of the district or to the inclusion of land
 3-6 in the district.

3-7 Sec. 8028A.0306. DIVISION OF DISTRICT. This chapter
 3-8 applies to any new district created by the division of the district
 3-9 under Section 49.316, Water Code, and a new district has all the
 3-10 powers and duties of the district.

3-11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-12 Sec. 8028A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
 3-13 The district may issue, without an election, bonds and other
 3-14 obligations secured by:

3-15 (1) revenue other than ad valorem taxes; or
 3-16 (2) contract payments described by Section
 3-17 8028A.0403.

3-18 (b) The district must hold an election in the manner
 3-19 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-20 before the district may impose an ad valorem tax or issue bonds
 3-21 payable from ad valorem taxes.

3-22 (c) The district may not issue bonds payable from ad valorem
 3-23 taxes to finance a road project unless the issuance is approved by a
 3-24 vote of a two-thirds majority of the district voters voting at an
 3-25 election held for that purpose.

3-26 Sec. 8028A.0402. OPERATION AND MAINTENANCE TAX. (a) If
 3-27 authorized at an election held under Section 8028A.0401, the
 3-28 district may impose an operation and maintenance tax on taxable
 3-29 property in the district in accordance with Section 49.107, Water
 3-30 Code.

3-31 (b) The board shall determine the tax rate. The rate may not
 3-32 exceed the rate approved at the election.

3-33 Sec. 8028A.0403. CONTRACT TAXES. (a) In accordance with
 3-34 Section 49.108, Water Code, the district may impose a tax other than
 3-35 an operation and maintenance tax and use the revenue derived from
 3-36 the tax to make payments under a contract after the provisions of
 3-37 the contract have been approved by a majority of the district voters
 3-38 voting at an election held for that purpose.

3-39 (b) A contract approved by the district voters may contain a
 3-40 provision stating that the contract may be modified or amended by
 3-41 the board without further voter approval.

3-42 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-43 Sec. 8028A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
 3-44 OBLIGATIONS. The district may issue bonds or other obligations
 3-45 payable wholly or partly from ad valorem taxes, impact fees,
 3-46 revenue, contract payments, grants, or other district money, or any
 3-47 combination of those sources, to pay for any authorized district
 3-48 purpose.

3-49 Sec. 8028A.0502. TAXES FOR BONDS. At the time the district
 3-50 issues bonds payable wholly or partly from ad valorem taxes, the
 3-51 board shall provide for the annual imposition of a continuing
 3-52 direct ad valorem tax, without limit as to rate or amount, while all
 3-53 or part of the bonds are outstanding as required and in the manner
 3-54 provided by Sections 54.601 and 54.602, Water Code.

3-55 Sec. 8028A.0503. BONDS FOR ROAD PROJECTS. At the time of
 3-56 issuance, the total principal amount of bonds or other obligations
 3-57 issued or incurred to finance road projects and payable from ad
 3-58 valorem taxes may not exceed one-fourth of the assessed value of the
 3-59 real property in the district.

3-60 SECTION 2. The San Benito Municipal Utility District No. 1
 3-61 initially includes all the territory contained in the following
 3-62 area:

3-63 Being 228.77 acres of land, more or less, comprised of:

3-64 Tract 1: 44.43 acres of land comprised of 38.68 acres
 3-65 recorded as a 41.544-acre tract, out of an 87.34-acre tract of land
 3-66 recorded in Volume 136, Page 840, Deed Records of Cameron County,
 3-67 Texas, inclusive of 6.34 acres (10.52 acres - deed) of land within
 3-68 the old riverbed and a 5.75-acre tract accreted from the Rio Grande
 3-69 River, save and except a 3.00-acre tract of land recorded in Volume

2527, Page 53, Official Records, Cameron County, Texas; for a total of 41.43 acres for Tract 1.

Tract 2: 199.38 acres of land out of a 242.538-acre tract conveyed to Alan Johnson and wife Elizabeth Johnson, recorded in Volume 9731, Page 143, Official Records, Cameron County, Texas, save and except the following tracts:

3.04-acre tract (3.00 acres - deed) described as Tract I, recorded in Volume 2437, Page 239, Official Records;

3.00-acre tract described as Tract II, recorded in Volume 2437, Page 239, Official Records;

3.00-acre tract described as Tract III, recorded in Volume 2437, Page 239, Official Records;

3.00-acre tract described as Tract III, recorded in Volume 2527, Page 53, Official Records, Cameron County, Texas. For a total of 228.77 acres of land, more or less.

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 8028A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 8028A.0307 to read as follows:

Sec. 8028A.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, 2025.

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