

AN ACT

relating to the authority of the Harris County Municipal Utility District No. 405 to exclude territory; validating and confirming all previous acts of the district.

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 8024A to read as follows:

CHAPTER 8024A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 405

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8024A.0101. DEFINITIONS. In this chapter:

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

(2) "District" means the Harris County Municipal Utility District No. 405.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 8024A.0201. EXCLUSION OF PROPERTY BY CONTRACT. (a) Notwithstanding any other law, the district may enter into a written contract with an owner of undeveloped property in the district to exclude the property from the district on terms and conditions the board considers advantageous for the district.

(b) The district may issue an order excluding the property from the district only if the terms and conditions of the contract are satisfied. The district shall record a copy of the order in the real property records of Harris County.

(c) Except as provided by the contract described by

1 Subsection (a) and Section 8024A.0202, on issuance of the order,  
2 the excluded property is no longer part of the district and is not  
3 entitled to any services from the district.

4 Sec. 8024A.0202. EFFECT OF EXCLUSION ON INDEBTEDNESS AND  
5 TAXES. (a) Until a property's pro rata share of the district's  
6 indebtedness is paid in full after the property is excluded from the  
7 district under Section 8024A.0201:

8 (1) the excluded property's pro rata share of the  
9 district's indebtedness remains the obligation of the owner of the  
10 excluded property and continues to be secured by statutory liens on  
11 the excluded property;

12 (2) the district shall continue to levy and collect  
13 debt service taxes each year on the excluded property at the same  
14 rate levied on other property in the district; and

15 (3) the taxes collected under Subdivision (2) remain  
16 pledged as security for the district's indebtedness and shall be  
17 applied exclusively to the payment of the excluded property's pro  
18 rata share of the district's indebtedness.

19 (b) The contract for exclusion must state the amount of or a  
20 method of determining the excluded property's pro rata share of the  
21 district's indebtedness.

22 (c) The owner of any part of the excluded property at any  
23 time may pay in full the remaining unpaid portion of the excluded  
24 property's pro rata share of the district's indebtedness.

25 (d) On payment in full of the excluded property's pro rata  
26 share of the district's indebtedness, the excluded property is  
27 released from payment of the district's debt service taxes.

1       Sec. 8024A.0203. RIGHTS OF BONDHOLDERS. The exclusion of  
2 property from the district under Section 8024A.0201 does not  
3 diminish or impair the rights of the holders of any outstanding and  
4 unpaid bonds, warrants, or other certificates of indebtedness of  
5 the district.

6       Sec. 8024A.0204. RELIANCE ON PRIOR ELECTION.  
7 Notwithstanding any other law, the district may issue any unissued  
8 additional bonds, notes, or other obligations approved by voters of  
9 the district before the exclusion of property from the district  
10 under Section 8024A.0201 without holding a new election to  
11 authorize the issuance of the bonds, notes, or other obligations.

12       SECTION 2. The Harris County Municipal Utility District  
13 No. 405 retains all the rights, powers, privileges, authority,  
14 duties, and functions that it had before the effective date of this  
15 Act.

16       SECTION 3. (a) The legislature validates and confirms all  
17 governmental acts and proceedings of the district that were taken  
18 before the effective date of this Act.

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

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

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

25       SECTION 4. (a) The legal notice of the intention to  
26 introduce this Act, setting forth the general substance of this  
27 Act, has been published as provided by law, and the notice and a

1 copy of this Act have been furnished to all persons, agencies,  
2 officials, or entities to which they are required to be furnished  
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4 Government Code.

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

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

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

16 SECTION 5. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2025.

H.B. No. 5699

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President of the Senate

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Speaker of the House

I certify that H.B. No. 5699 was passed by the House on May 16, 2025, by the following vote: Yeas 91, Nays 40, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 5699 was passed by the Senate on May 27, 2025, by the following vote: Yeas 28, Nays 3.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor