

By: Schofield

H.B. No. 5699

A BILL TO BE ENTITLED

AN ACT

relating to the exclusion of certain territory from Harris County
Municipal Utility District No. 405.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. DEFINITION. In this Act, "district" means the
Harris County Municipal Utility District No. 405.

SECTION 2. EXCLUSION OF TERRITORY. Notwithstanding any
other law, the district may enter into a written contract with the
owner of undeveloped property within the district for exclusion of
the property from the district on terms and conditions the
district's board of directors considers advantageous for the
district. Upon satisfaction of the terms and conditions of the
contract, the district may exclude the property.

SECTION 3. RESULTS OF EXCLUSION. (a) Debt service taxes
levied on the excluded property remain pledged as security for the
district's outstanding indebtedness and the district shall
continue to levy and collect debt service taxes on the excluded land
until the excluded property's pro rata share of the district's
indebtedness is paid in full as provided herein.

(b) Except as provided in the contract for exclusion or in
Section 5 herein, on issuance of an order excluding property the
property is no longer part of the district and is not entitled to
any services from the district.

(c) Until paid in full as provided herein, the excluded

1 property's pro rata share of the district's indebtedness remains
2 the obligation of the owner of the excluded property and continues
3 to be secured by statutory liens on the excluded property.

4 (d) A copy of the order excluding the property from the
5 district shall be recorded by the district in the real property
6 records of Harris County.

7 SECTION 4. RIGHTS OF BONDHOLDERS. The exclusion of
8 property under this Act does not diminish or impair the rights of
9 the holders of any outstanding and unpaid bonds, warrants, or other
10 certificates of indebtedness of the district.

11 SECTION 5. APPORTIONMENT OF DISTRICT INDEBTEDNESS.(a) The
12 excluded property is not released from the payment of its pro rata
13 share of the district's indebtedness. The contract for exclusion
14 shall state the amount of or method to determine the excluded
15 property's pro rata share of the district's indebtedness.

16 (b) The district shall continue to levy debt service taxes
17 each year on the excluded property at the same rate levied on other
18 property of the district. The taxes collected shall be applied
19 exclusively to the payment of the excluded property's pro rata
20 share of the district's indebtedness.

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

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

1 SECTION 6. RELIANCE ON PRIOR ELECTION. Notwithstanding any
2 other law, the District may issue any unissued additional debt
3 approved by voters of the district before the exclusion of property
4 without holding a new election.

5 SECTION 7. Harris County Municipal Utility District No. 405
6 retains all the rights, powers, privileges, authority, duties, and
7 functions that it had before the effective date of this Act.

8 SECTION 8. (a)The legislature validates and confirms all
9 governmental acts and proceedings of Harris County Municipal
10 Utility District No. 405 that were taken before the effective date
11 of this Act.

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

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

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

18 SECTION 9. NOTICE. (a) The legal notice of the intention
19 to introduce this Act, setting forth the general substance of this
20 Act, has been published as provided by law, and the notice and a
21 copy of this Act have been furnished to all persons, agencies,
22 officials, or entities to which they are required to be furnished
23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
24 Government Code.

25 (b) The governor, one of the required recipients, has
26 submitted the notice and Act to the Texas Commission on
27 Environmental Quality.

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

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

9 SECTION 10. EFFECTIVE DATE. This Act takes effect
10 immediately if it receives a vote of two-thirds of all the members
11 elected to each house, as provided by Section 39, Article III, Texas
12 Constitution. If this Act does not receive the vote necessary for
13 immediate effect, this Act takes effect September 1, 2025.