

1-1 By: Kolkhorst S.B. No. 1002
 1-2 (In the Senate - Filed March 5, 2015; March 10, 2015, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; April 30, 2015, reported favorably by the following
 1-5 vote: Yeas 6, Nays 0; April 30, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Lucio	X			
1-8 Bettencourt	X			
1-9 Campbell	X			
1-10 Garcia	X			
1-11 Menéndez	X			
1-12 Nichols			X	
1-13 Taylor of Galveston	X			
1-14				

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Harris County Municipal Utility
 1-18 District No. 540; granting a limited power of eminent domain;
 1-19 providing authority to issue bonds; providing authority to impose
 1-20 assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-23 Code, is amended by adding Chapter 7910 to read as follows:

1-24 CHAPTER 7910. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 540

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7910.001. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "Commission" means the Texas Commission on
 1-29 Environmental Quality.

1-30 (3) "Director" means a board member.

1-31 (4) "District" means the Harris County Municipal
 1-32 Utility District No. 540.

1-33 Sec. 7910.002. NATURE OF DISTRICT. The district is a
 1-34 municipal utility district created under Section 59, Article XVI,
 1-35 Texas Constitution.

1-36 Sec. 7910.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-37 REQUIRED. The temporary directors shall hold an election to
 1-38 confirm the creation of the district and to elect five permanent
 1-39 directors as provided by Section 49.102, Water Code.

1-40 Sec. 7910.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section 7910.003
 1-42 until each municipality in whose corporate limits or
 1-43 extraterritorial jurisdiction the district is located has
 1-44 consented by ordinance or resolution to the creation of the
 1-45 district and to the inclusion of land in the district.

1-46 Sec. 7910.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-47 (a) The district is created to serve a public purpose and benefit.

1-48 (b) The district is created to accomplish the purposes of:

1-49 (1) a municipal utility district as provided by
 1-50 general law and Section 59, Article XVI, Texas Constitution; and

1-51 (2) Section 52, Article III, Texas Constitution, that
 1-52 relate to the construction, acquisition, improvement, operation,
 1-53 or maintenance of macadamized, graveled, or paved roads, or
 1-54 improvements, including storm drainage, in aid of those roads.

1-55 Sec. 7910.006. INITIAL DISTRICT TERRITORY. (a) The
 1-56 district is initially composed of the territory described by
 1-57 Section 2 of the Act enacting this chapter.

1-58 (b) The boundaries and field notes contained in Section 2 of
 1-59 the Act enacting this chapter form a closure. A mistake made in the
 1-60 field notes or in copying the field notes in the legislative process
 1-61 does not affect the district's:

- 2-1 (1) organization, existence, or validity;
- 2-2 (2) right to issue any type of bond for the purposes
- 2-3 for which the district is created or to pay the principal of and
- 2-4 interest on a bond;
- 2-5 (3) right to impose a tax; or
- 2-6 (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

2-8 Sec. 7910.051. GOVERNING BODY; TERMS. (a) The district is
 2-9 governed by a board of five elected directors.
 2-10 (b) Except as provided by Section 7910.052, directors serve
 2-11 staggered four-year terms.

2-12 Sec. 7910.052. TEMPORARY DIRECTORS. (a) On or after the
 2-13 effective date of the Act enacting this chapter, the owner or owners
 2-14 of a majority of the assessed value of the real property in the
 2-15 district may submit a petition to the commission requesting that
 2-16 the commission appoint as temporary directors the five persons
 2-17 named in the petition. The commission shall appoint as temporary
 2-18 directors the five persons named in the petition.

2-19 (b) Temporary directors serve until the earlier of:
 2-20 (1) the date permanent directors are elected under
 2-21 Section 7910.003; or
 2-22 (2) the fourth anniversary of the effective date of
 2-23 the Act enacting this chapter.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 7910.003 and the terms of the temporary directors have
 2-26 expired, successor temporary directors shall be appointed or
 2-27 reappointed as provided by Subsection (d) to serve terms that
 2-28 expire on the earlier of:

2-29 (1) the date permanent directors are elected under
 2-30 Section 7910.003; or
 2-31 (2) the fourth anniversary of the date of the
 2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a
 2-34 majority of the assessed value of the real property in the district
 2-35 may submit a petition to the commission requesting that the
 2-36 commission appoint as successor temporary directors the five
 2-37 persons named in the petition. The commission shall appoint as
 2-38 successor temporary directors the five persons named in the
 2-39 petition.

SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 7910.101. GENERAL POWERS AND DUTIES. The district has
 2-42 the powers and duties necessary to accomplish the purposes for
 2-43 which the district is created.

2-44 Sec. 7910.102. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-45 DUTIES. The district has the powers and duties provided by the
 2-46 general law of this state, including Chapters 49 and 54, Water Code,
 2-47 applicable to municipal utility districts created under Section 59,
 2-48 Article XVI, Texas Constitution.

2-49 Sec. 7910.103. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-50 52, Article III, Texas Constitution, the district may design,
 2-51 acquire, construct, finance, issue bonds for, improve, operate,
 2-52 maintain, and convey to this state, a county, or a municipality for
 2-53 operation and maintenance macadamized, graveled, or paved roads, or
 2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 7910.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-56 road project must meet all applicable construction standards,
 2-57 zoning and subdivision requirements, and regulations of each
 2-58 municipality in whose corporate limits or extraterritorial
 2-59 jurisdiction the road project is located.

2-60 (b) If a road project is not located in the corporate limits
 2-61 or extraterritorial jurisdiction of a municipality, the road
 2-62 project must meet all applicable construction standards,
 2-63 subdivision requirements, and regulations of each county in which
 2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the
 2-66 Texas Transportation Commission must approve the plans and
 2-67 specifications of the road project.

2-68 Sec. 7910.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
 2-69 OR RESOLUTION. The district shall comply with all applicable

3-1 requirements of any ordinance or resolution that is adopted under
3-2 Section 54.016 or 54.0165, Water Code, and that consents to the
3-3 creation of the district or to the inclusion of land in the
3-4 district.

3-5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-6 Sec. 7910.151. ELECTIONS REGARDING TAXES OR BONDS.

3-7 (a) The district may issue, without an election, bonds and other
3-8 obligations secured by:

- 3-9 (1) revenue other than ad valorem taxes; or
- 3-10 (2) contract payments described by Section 7910.153.

3-11 (b) The district must hold an election in the manner
3-12 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-13 before the district may impose an ad valorem tax or issue bonds
3-14 payable from ad valorem taxes.

3-15 (c) The district may not issue bonds payable from ad valorem
3-16 taxes to finance a road project unless the issuance is approved by a
3-17 vote of a two-thirds majority of the district voters voting at an
3-18 election held for that purpose.

3-19 Sec. 7910.152. OPERATION AND MAINTENANCE TAX. (a) If
3-20 authorized at an election held under Section 7910.151, the district
3-21 may impose an operation and maintenance tax on taxable property in
3-22 the district in accordance with Section 49.107, Water Code.

3-23 (b) The board shall determine the tax rate. The rate may not
3-24 exceed the rate approved at the election.

3-25 Sec. 7910.153. CONTRACT TAXES. (a) In accordance with
3-26 Section 49.108, Water Code, the district may impose a tax other than
3-27 an operation and maintenance tax and use the revenue derived from
3-28 the tax to make payments under a contract after the provisions of
3-29 the contract have been approved by a majority of the district voters
3-30 voting at an election held for that purpose.

3-31 (b) A contract approved by the district voters may contain a
3-32 provision stating that the contract may be modified or amended by
3-33 the board without further voter approval.

3-34 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-35 Sec. 7910.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-36 OBLIGATIONS. The district may issue bonds or other obligations
3-37 payable wholly or partly from ad valorem taxes, impact fees,
3-38 revenue, contract payments, grants, or other district money, or any
3-39 combination of those sources, to pay for any authorized district
3-40 purpose.

3-41 Sec. 7910.202. TAXES FOR BONDS. At the time the district
3-42 issues bonds payable wholly or partly from ad valorem taxes, the
3-43 board shall provide for the annual imposition of a continuing
3-44 direct ad valorem tax, without limit as to rate or amount, while all
3-45 or part of the bonds are outstanding as required and in the manner
3-46 provided by Sections 54.601 and 54.602, Water Code.

3-47 Sec. 7910.203. BONDS FOR ROAD PROJECTS. At the time of
3-48 issuance, the total principal amount of bonds or other obligations
3-49 issued or incurred to finance road projects and payable from ad
3-50 valorem taxes may not exceed one-fourth of the assessed value of the
3-51 real property in the district.

3-52 SECTION 2. The Harris County Municipal Utility District No.
3-53 540 initially includes all the territory contained in the following
3-54 area:

3-55 TRACT 1

3-56 BEING 159.65 acres of land situated in the H. & T. C. R. R. Co.
3-57 Survey, Section 47, Block 2, Abstract Number 440, Harris County,
3-58 Texas, being all of that certain called 159.6531 acres conveyed to
3-59 Cunningham Interests, II, Ltd by deed recorded under Harris County
3-60 Clerk's File Number (H.C.C.F. No.) 20110175218, said 159.65 acre
3-61 tract being more particularly described by metes and bounds as
3-62 follows:

3-63 BEGINNING at a MAG Nail with shiner stamped "COSTELLO" found
3-64 for the Southeast corner of said 159.6531 acre tract and being in
3-65 the pavement of Stockdick School Road (width unknown) also being in
3-66 the centerline of Peek road (60-foot wide) as referenced in Volume
3-67 996, Page 491 of the Harris County Deed Records;

3-68 THENCE, S 87° 58' 23" W, a distance of 2,582.65 feet along
3-69 said Stockdick Road to the Southwest corner of said 159.6531 acre

4-1 tract;

4-2 THENCE, along the lines common to said 159.6531 acre tract
4-3 and the remainder of a called 160 acre tract described in Volume
4-4 1494, Page 230 of the Harris County Deed Records the following two
4-5 (2) courses and distances:

4-6 N 04° 45' 03" W, a distance of 309.54 feet to a 5/8-inch
4-7 iron rod with cap stamped "COSTELLO INC. RPLS 4416" found for
4-8 an interior ell corner of said 159.6531 acre tract;

4-9 S 88° 22' 39" W, a distance of 42.85 feet to the
4-10 Northeast corner of a called 3.00 acre tract described and
4-11 recorded under H.C.C.F. No. D978707 from which a found
4-12 5/8-inch iron rod with cap stamped "COSTELLO INC. RPLS 4416"
4-13 bears N 84° 28' W, 0.37 feet, also being the Southeast corner
4-14 of a called 158.33 acre tract described and recorded under
4-15 H.C.C.F. No. 20130266472;

4-16 THENCE, N 02° 04' 00" W, a distance of 2,330.87 feet along the
4-17 line common to said 158.33 acre tract and said 159.6531 acre tract
4-18 to the northern corner common to said 159.6531 acre tract and said
4-19 158.33 acre tract from which a found 5/8-inch iron rod with cap
4-20 stamped "COSTELLO INC. RPLS 4416" bears S 89° 21' W, 3.45 feet also
4-21 being the Southwest corner of a called 156.432 acre tract described
4-22 and recorded under H.C.C.F. No. V829107;

4-23 THENCE, N 87° 59' 16" E, a distance of 2,640.00 feet along the
4-24 North line of said 159.6531 acre tract and the South lines of said
4-25 156.432 acre tract and a called 9.7770 acre tract described and
4-26 recorded under H.C.C.F. No. G578991 to the Northeast corner of said
4-27 159.6531 acre tract and the herein described tract from which a
4-28 found Nail with shiner stamped "COSTELLO" bears N 82° 39' W, 3.01
4-29 feet;

4-30 THENCE, S 02° 04' 00" E, a distance of 2,639.69 feet along and
4-31 with the centerline of said Peek Road to the POINT OF BEGINNING and
4-32 containing 159.65 acres of land. Bearing orientation is based on
4-33 the Texas Coordinate System South Central Zone 4204, NAD83.

4-34 TRACT 2

4-35 BEING 247.03 acres of land situated in the George Spencer
4-36 Survey, Abstract Number 1369 and the M. M. Willsey Survey, Abstract
4-37 Number 1459 of the H. & T. C. R. R. Co. Survey, Block 2, Harris
4-38 County, Texas, being all of that certain called 235.55 acres
4-39 conveyed to Cunningham Interests, II, Ltd by deed recorded under
4-40 Harris County Clerk's File Number (H.C.C.F. No.) 20120237422 and
4-41 all of that certain called 11.526 acres conveyed to Cunningham
4-42 Interests, II, Ltd by deed recorded under H.C.C.F. No. 20140170048,
4-43 said 247.03 acre tract being more particularly described by metes
4-44 and bounds as follows:

4-45 BEGINNING at a 5/8-inch iron rod with aluminum Texas
4-46 Department of Transportation (TxDot) cap found for the Southeast
4-47 corner of said 235.55 acre tract and being in the North right-of-way
4-48 line of Stockdick School Road (60-foot with, no deed found) also
4-49 being the West right-of-way line of said Stockdick Road (width
4-50 varies, no deed found);

4-51 THENCE, S 87° 56' 23" W, a distance of 3,929.03 feet along the
4-52 North right-of-way line of said Stockdick School Road to a 5/8-inch
4-53 iron rod found for the Southeast corner of a called 17.00 acre tract
4-54 described and recorded under H.C.C.F. No. V330498 and the Southwest
4-55 corner of said 235.55 acre tract and the herein described tract;

4-56 THENCE, N 01° 59' 51" W, a distance of 851.43 feet along the
4-57 line common to said 17.00 acre tract and said 235.55 acre tract to
4-58 the Northeast corner of said 17.00 acre tract and being the
4-59 Southeast corner of said 11.526 acre tract and from which a 1/2-inch
4-60 iron rod found bears S 87° 57' W, 4.59 feet;

4-61 THENCE, S 87° 57' 20" W, a distance of 378.38 feet along the
4-62 line common to said 17.00 acre tract and said 11.526 acre tract to
4-63 the Southwest corner of said 11.526 acre tract and the southeast
4-64 corner of a called 11.653 acre tract described and recorded under
4-65 H.C.C.F. No. Y103912, said point being in the centerline of South
4-66 Mayde Creek;

4-67 THENCE, along and with the centerline of South Mayde Creek,
4-68 same being the line common to said 11.526 acre tract and said 11.653
4-69 acre tract the following sixteen (16) courses and distances:

5-1 N 57° 32' 53" W, 185.76 feet to an angle point;
 5-2 N 76° 58' 36" W, 5.99 feet to an angle point;
 5-3 N 73° 39' 37" W, 44.16 feet to an angle point;
 5-4 N 27° 46' 16" W, 24.43 feet to an angle point;
 5-5 N 18° 48' 22" E, 80.98 feet to an angle point;
 5-6 N 21° 42' 27" E, 261.01 feet to an angle point;
 5-7 N 15° 34' 29" E, 88.96 feet to an angle point;
 5-8 N 22° 02' 24" W, 81.87 feet to an angle point;
 5-9 N 32° 50' 40" E, 34.54 feet to an angle point;
 5-10 N 21° 18' 18" W, 20.21 feet to an angle point;
 5-11 N 53° 13' 23" W, 47.36 feet to an angle point;
 5-12 N 85° 03' 23" W, 176.78 feet to an angle point;
 5-13 S 70° 36' 55" W, 107.89 feet to an angle point;
 5-14 N 73° 03' 25" W, 44.61 feet to an angle point;
 5-15 N 40° 29' 03" W, 186.40 feet to an angle point;
 5-16 N 55° 40' 31" W, 60.60 feet to the most westerly
 5-17 Northwest corner of the herein described tract and being in
 5-18 the South line of a called 25.8950 acre tract described and
 5-19 recorded under H.C.C.F. No. 20100452700;
 5-20 THENCE, N 88° 03' 56" E, a distance of 966.73 feet along the
 5-21 line common to said 25.8950 acre tract and said 11.256 acre tract to
 5-22 the Northeast corner of said 11.256 acre tract and the Southeast
 5-23 corner of said 25.8950 acre tract, being in the West line of said
 5-24 235.55 acre tract and from which a found 3/8-inch iron rod bears S
 5-25 87° 47' W, 6.77 feet;
 5-26 THENCE, N 01° 59' 51" W, a distance of 882.01 feet along the
 5-27 line common to said 235.55 acre tract and said 25.8950 acre tract to
 5-28 the Northeast corner of said 25.8950 acre tract and the Northwest
 5-29 corner of said 235.55 acre tract, being in the South line of a
 5-30 called 7.016 acre tract described and recorded under H.C.C.F.
 5-31 No. Y680341 and from which a found 3/8-inch iron rod bears S 83° 44'
 5-32 W, 9.92 feet;
 5-33 THENCE, N 87° 58' 30" E, a distance of 3,073.16 feet along the
 5-34 North line of said 235.55 acre tract and South lines of said 7.016
 5-35 acre tract and a called 5.8806 acre tract described and recorded
 5-36 under H.C.C.F. No. X209587 also the South lines of Lot 61 through
 5-37 Lot 76 of Katy Country Estates, an unrecorded subdivision to a
 5-38 concrete monument found for the southeast corner of said Lot 76 and
 5-39 the Southwest corner of a called 19.3136 acre tract described and
 5-40 recorded under H.C.C.F. No. X407934;
 5-41 THENCE, N 87° 46' 36" E, a distance of 852.54 feet continuing
 5-42 along the North line of said 235.55 acre tract and South line of
 5-43 said 19.3136 acre tract to a 3/8-inch iron rod found for the
 5-44 Northeast corner of said 235.55 acre tract and the herein described
 5-45 tract and the Southeast corner of said 19.3136 acre tract, said iron
 5-46 rod being in the West right-of-way line of said Stockdick Road;
 5-47 THENCE, S 02° 04' 14" E, a distance of 2,614.01 feet along said
 5-48 West right-of-way line to the POINT OF BEGINNING and containing
 5-49 247.03 acres of land. Bearing orientation is based on the Texas
 5-50 Coordinate System South Central Zone 4204, NAD83.
 5-51 SECTION 3. (a) The legal notice of the intention to
 5-52 introduce this Act, setting forth the general substance of this
 5-53 Act, has been published as provided by law, and the notice and a
 5-54 copy of this Act have been furnished to all persons, agencies,
 5-55 officials, or entities to which they are required to be furnished
 5-56 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
 5-57 Government Code.
 5-58 (b) The governor, one of the required recipients, has
 5-59 submitted the notice and Act to the Texas Commission on
 5-60 Environmental Quality.
 5-61 (c) The Texas Commission on Environmental Quality has filed
 5-62 its recommendations relating to this Act with the governor, the
 5-63 lieutenant governor, and the speaker of the house of
 5-64 representatives within the required time.
 5-65 (d) All requirements of the constitution and laws of this
 5-66 state and the rules and procedures of the legislature with respect
 5-67 to the notice, introduction, and passage of this Act are fulfilled
 5-68 and accomplished.
 5-69 SECTION 4. (a) If this Act does not receive a two-thirds

6-1 vote of all the members elected to each house, Subchapter C, Chapter
6-2 7910, Special District Local Laws Code, as added by Section 1 of
6-3 this Act, is amended by adding Section 7910.106 to read as follows:

6-4 Sec. 7910.106. NO EMINENT DOMAIN POWER. The district may
6-5 not exercise the power of eminent domain.

6-6 (b) This section is not intended to be an expression of a
6-7 legislative interpretation of the requirements of Section 17(c),
6-8 Article I, Texas Constitution.

6-9 SECTION 5. This Act takes effect immediately if it receives
6-10 a vote of two-thirds of all the members elected to each house, as
6-11 provided by Section 39, Article III, Texas Constitution. If this
6-12 Act does not receive the vote necessary for immediate effect, this
6-13 Act takes effect September 1, 2015.

6-14

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