

1-1 By: Kolkhorst S.B. No. 2037
1-2 (In the Senate - Filed April 7, 2015; April 7, 2015, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 29, 2015, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
1-6 April 29, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2037 By: Bettencourt

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

1-19 relating to the creation of the Harris County Municipal Utility
1-20 District No. 543; 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 7933 to read as follows:

1-26 CHAPTER 7933. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 543

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7933.001. 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 Harris County Municipal
1-34 Utility District No. 543.

1-35 Sec. 7933.002. 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. 7933.003. CONFIRMATION AND DIRECTORS' ELECTION
1-39 REQUIRED. The temporary directors shall hold an election to
1-40 confirm the creation of the district and to elect five permanent
1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 7933.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-43 temporary directors may not hold an election under Section 7933.003
1-44 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.

1-48 Sec. 7933.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by
1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that
1-54 relate to the construction, acquisition, improvement, operation,
1-55 or maintenance of macadamized, graveled, or paved roads, or
1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 7933.006. INITIAL DISTRICT TERRITORY. (a) The
1-58 district is initially composed of the territory described by
1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of

2-1 the Act enacting this chapter form a closure. A mistake made in the
2-2 field notes or in copying the field notes in the legislative process
2-3 does not affect the district's:

- 2-4 (1) organization, existence, or validity;
- 2-5 (2) right to issue any type of bond for the purposes
2-6 for which the district is created or to pay the principal of and
2-7 interest on a bond;
- 2-8 (3) right to impose a tax; or
- 2-9 (4) legality or operation.

2-10 SUBCHAPTER B. BOARD OF DIRECTORS

2-11 Sec. 7933.051. GOVERNING BODY; TERMS. (a) The district is
2-12 governed by a board of five elected directors.

2-13 (b) Except as provided by Section 7933.052, directors serve
2-14 staggered four-year terms.

2-15 Sec. 7933.052. TEMPORARY DIRECTORS. (a) The temporary
2-16 board consists of:

- 2-17 (1) Rose Montalbano;
- 2-18 (2) Calvin Browne;
- 2-19 (3) Ryan Quinn;
- 2-20 (4) Tamara Webb; and
- 2-21 (5) Stephanie Bowden.

2-22 (b) Temporary directors serve until the earlier of:

- 2-23 (1) the date permanent directors are elected under
2-24 Section 7933.003; or
- 2-25 (2) the fourth anniversary of the effective date of
2-26 the Act enacting this chapter.

2-27 (c) If permanent directors have not been elected under
2-28 Section 7933.003 and the terms of the temporary directors have
2-29 expired, successor temporary directors shall be appointed or
2-30 reappointed as provided by Subsection (d) to serve terms that
2-31 expire on the earlier of:

- 2-32 (1) the date permanent directors are elected under
2-33 Section 7933.003; or
- 2-34 (2) the fourth anniversary of the date of the
2-35 appointment or reappointment.

2-36 (d) If Subsection (c) applies, the owner or owners of a
2-37 majority of the assessed value of the real property in the district
2-38 may submit a petition to the commission requesting that the
2-39 commission appoint as successor temporary directors the five
2-40 persons named in the petition. The commission shall appoint as
2-41 successor temporary directors the five persons named in the
2-42 petition.

2-43 SUBCHAPTER C. POWERS AND DUTIES

2-44 Sec. 7933.101. GENERAL POWERS AND DUTIES. The district has
2-45 the powers and duties necessary to accomplish the purposes for
2-46 which the district is created.

2-47 Sec. 7933.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-48 DUTIES. The district has the powers and duties provided by the
2-49 general law of this state, including Chapters 49 and 54, Water Code,
2-50 applicable to municipal utility districts created under Section 59,
2-51 Article XVI, Texas Constitution.

2-52 Sec. 7933.103. AUTHORITY FOR ROAD PROJECTS. Under Section
2-53 52, Article III, Texas Constitution, the district may design,
2-54 acquire, construct, finance, issue bonds for, improve, operate,
2-55 maintain, and convey to this state, a county, or a municipality for
2-56 operation and maintenance macadamized, graveled, or paved roads, or
2-57 improvements, including storm drainage, in aid of those roads.

2-58 Sec. 7933.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-59 road project must meet all applicable construction standards,
2-60 zoning and subdivision requirements, and regulations of each
2-61 municipality in whose corporate limits or extraterritorial
2-62 jurisdiction the road project is located.

2-63 (b) If a road project is not located in the corporate limits
2-64 or extraterritorial jurisdiction of a municipality, the road
2-65 project must meet all applicable construction standards,
2-66 subdivision requirements, and regulations of each county in which
2-67 the road project is located.

2-68 (c) If the state will maintain and operate the road, the
2-69 Texas Transportation Commission must approve the plans and

3-1 specifications of the road project.
 3-2 Sec. 7933.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
 3-3 OR RESOLUTION. The district shall comply with all applicable
 3-4 requirements of any ordinance or resolution that is adopted under
 3-5 Section 54.016 or 54.0165, Water Code, and that consents to the
 3-6 creation of the district or to the inclusion of land in the
 3-7 district.

3-8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-9 Sec. 7933.151. ELECTIONS REGARDING TAXES OR BONDS.
 3-10 (a) The district may issue, without an election, bonds and other
 3-11 obligations secured by:

3-12 (1) revenue other than ad valorem taxes; or
 3-13 (2) contract payments described by Section 7933.153.

3-14 (b) The district must hold an election in the manner
 3-15 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-16 before the district may impose an ad valorem tax or issue bonds
 3-17 payable from ad valorem taxes.

3-18 (c) The district may not issue bonds payable from ad valorem
 3-19 taxes to finance a road project unless the issuance is approved by a
 3-20 vote of a two-thirds majority of the district voters voting at an
 3-21 election held for that purpose.

3-22 Sec. 7933.152. OPERATION AND MAINTENANCE TAX. (a) If
 3-23 authorized at an election held under Section 7933.151, the district
 3-24 may impose an operation and maintenance tax on taxable property in
 3-25 the district in accordance with Section 49.107, Water Code.

3-26 (b) The board shall determine the tax rate. The rate may not
 3-27 exceed the rate approved at the election.

3-28 Sec. 7933.153. CONTRACT TAXES. (a) In accordance with
 3-29 Section 49.108, Water Code, the district may impose a tax other than
 3-30 an operation and maintenance tax and use the revenue derived from
 3-31 the tax to make payments under a contract after the provisions of
 3-32 the contract have been approved by a majority of the district voters
 3-33 voting at an election held for that purpose.

3-34 (b) A contract approved by the district voters may contain a
 3-35 provision stating that the contract may be modified or amended by
 3-36 the board without further voter approval.

3-37 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-38 Sec. 7933.201. AUTHORITY TO ISSUE BONDS AND OTHER
 3-39 OBLIGATIONS. The district may issue bonds or other obligations
 3-40 payable wholly or partly from ad valorem taxes, impact fees,
 3-41 revenue, contract payments, grants, or other district money, or any
 3-42 combination of those sources, to pay for any authorized district
 3-43 purpose.

3-44 Sec. 7933.202. TAXES FOR BONDS. At the time the district
 3-45 issues bonds payable wholly or partly from ad valorem taxes, the
 3-46 board shall provide for the annual imposition of a continuing
 3-47 direct ad valorem tax, without limit as to rate or amount, while all
 3-48 or part of the bonds are outstanding as required and in the manner
 3-49 provided by Sections 54.601 and 54.602, Water Code.

3-50 Sec. 7933.203. BONDS FOR ROAD PROJECTS. At the time of
 3-51 issuance, the total principal amount of bonds or other obligations
 3-52 issued or incurred to finance road projects and payable from ad
 3-53 valorem taxes may not exceed one-fourth of the assessed value of the
 3-54 real property in the district.

3-55 SECTION 2. The Harris County Municipal Utility District No.
 3-56 543 initially includes all the territory contained in the following
 3-57 area:

3-58 BEING a 423.48 acre (18,446,664 square foot) tract of land
 3-59 situated in the H. & T. C. R.R. Co. Survey Sec. 20, J.A. Arnold
 3-60 Survey, Abstract No. 1376 (W.L. Mounts Survey A-1376) and the H. &
 3-61 T.C.R.R. Co. Survey Sec. 21, Abstract No. 424 of Harris County,
 3-62 Texas and being all of a called 40 acre tract of land described in an
 3-63 instrument to C.E. Freeman filed for record under Volume 1203, Page
 3-64 77 of the Harris County Deed Records (H.C.D.R.), all of a called
 3-65 300.05 acre tract of land described in an instrument to C.E. Freeman
 3-66 filed for record under Volume 1691, Page 734, H.C.D.R. and all of a
 3-67 called 79.916 acre tract of land described in an instrument to C.E.
 3-68 Freeman filed for record under Volume 3599, Page 60, H.C.D.R, said
 3-69 423.48 acre tract of land being more particularly described by

4-1 metes and bounds as follows:

4-2 BEGINNING at a 1/2-inch iron pipe found inside of a 2-inch
4-3 iron pipe (Control Monument) for the Northwest corner of said
4-4 300.05 acre tract and the Northwest corner of the herein described
4-5 423.48 acre tract, same being the Northeast corner of Lot 21 of
4-6 J.W. Metzler's Subdivision, a subdivision plat filed for record
4-7 under Volume 500, Page 235 of the Harris County Deed Records, said
4-8 Lot 21 being part of a called 26.810 acre tract described in an
4-9 instrument to Karim Virani filed for record under Harris County
4-10 Clerk's File No. (H.C.C.F.) V510692, same also being in the South
4-11 line of a called 638.41 acre tract of land described in an
4-12 instrument to Fry Road Venture, L.P. filed for record under
4-13 H.C.C.F. No. Z078087;

4-14 THENCE, N 87°48'42" E, a distance of 3,695.86 feet along and
4-15 with the South line of said 638.41 acre tract and the North line of
4-16 said 300.05 acre tract and said 79.916 acre tract to a 1-1/4 inch
4-17 iron pipe found (Control Monument) for the Northeast corner of said
4-18 79.916 acre tract and the Northeast corner of the herein described
4-19 423.48 acre tract, same being a Northwest corner of a called
4-20 616.0368 acre tract of land described in an instrument to McGill
4-21 Legacy, Ltd. filed for record under H.C.C.F. No. S326025;

4-22 THENCE, S 02°04'46" E, a distance of 3,775.47 feet along and
4-23 with the East line of said 79.916 acre tract and a West line of said
4-24 616.0368 acre tract to a 1/2-inch iron rod found for angle point,
4-25 same being the Southeast corner of said 79.916 acre tract, a
4-26 Northeast corner of said 300.05 acre tract, a Southwest corner of
4-27 said 616.0368 acre tract and the Northwest corner of a called
4-28 74.4739 acre tract of land described in an instrument to Melage, LP
4-29 filed for record under H.C.C.F. No. 20080160063;

4-30 THENCE, S 02°09'39" E, a distance of 1,226.46 feet along and
4-31 with the East line of said 300.05 acre tract and the West line of
4-32 said 74.4739 acre tract to a 1-inch iron pipe found for the
4-33 Southeast corner of said 300.05 acre tract, the Northeast corner of
4-34 a called 460.6459 acre tract described in an instrument to Cowden
4-35 Walter Limited Partnership filed for record under H.C.C.F.
4-36 No. Y15284 and the Southeast corner of the herein described 423.48
4-37 acre tract;

4-38 THENCE, S 87°52'33" W, a distance of 3,687.27 feet along and
4-39 with the South line of said 300.05 acre tract and the South line of
4-40 said 40 acre tract to a 1/2-inch iron pipe with cap stamped "Brown &
4-41 Gay" set in the centerline of Stockdick Road (unimproved) for the
4-42 Southwest corner of the herein described tract, same being the
4-43 Southwest corner of said 40 acre tract, same also being the
4-44 Southwest corner of a 30-foot right-of-way described in an
4-45 instrument to the County of Harris filed for record under Volume
4-46 1116, Pg. 304 of the Harris County Deed Records, and from which a
4-47 1/2-inch iron pipe bears S 81° 28' 24" E, 3.62 feet and a found
4-48 5/8-inch iron rod bears N 87° 52' 33" E, 30.00 feet;

4-49 THENCE, N 02°06'55" W, along and with the West line of said 40
4-50 acre tract, the West line of said 30-foot right-of-way tract and the
4-51 centerline of said Stockdick School Road, at a distance of 1,475.00
4-52 feet passing the Northwest corner of said 30-foot right-of-way
4-53 tract, the Northwest corner of said 40 acre tract, a Southwest
4-54 corner of said 300.05 acre tract, the terminus of said Stockdick
4-55 School Road and continuing for a total distance of 2,360.64 feet to
4-56 a 5/8-inch iron rod found for the Southeast corner of Lot 40 of J.W.
4-57 Metzler's Subdivision, a subdivision plat filed for record under
4-58 Volume 500, Page 235, H.C.D.R., same also being the Southeast
4-59 corner of a called 20 acre tract described in an instrument to J.
4-60 Glenn Lee filed for record under H.C.C.F. No. S385762;

4-61 THENCE, N 02°20'41" W, a distance of 657.08 feet along and
4-62 with the West line of said 300.05 acre tract and the East line of
4-63 Lots 40 through 36 of said Metzler's Subdivision to a 1/2-inch iron
4-64 pipe found for and angle point, same being the Northeast corner of
4-65 Lot 36 of said Metzler's Subdivision, the Northeast corner of said
4-66 20 acre tract and the Southeast corner of a called 0.8128 acre tract
4-67 of land described as Parcel 30A in an instrument to the County of
4-68 Harris filed for record under H.C.C.F. No. 20090413850;

4-69 THENCE, N 02°14'50" W, along and with the West line of said

5-1 300.05 acre tract and the East line of said 0.8128 acre tract, at a
5-2 distance of 1,056.00 passing the Northeast corner of said 0.8128
5-3 acre tract, the Southeast corner of Lot 27 of said Metzler's
5-4 Subdivision, the Southeast corner of the remainder of said called
5-5 26.810 acre tract and continuing along and with the West line of
5-6 said 300.05 acre tract and the East line of the remainder of Lots 27
5-7 through 21 of said Metzler's Subdivision for a total distance of
5-8 1,980.09 feet to the POINT OF BEGINNING and containing 423.48 acres
5-9 (18,446,664 square feet) of land.

5-10 SECTION 3. (a) The legal notice of the intention to
5-11 introduce this Act, setting forth the general substance of this
5-12 Act, has been published as provided by law, and the notice and a
5-13 copy of this Act have been furnished to all persons, agencies,
5-14 officials, or entities to which they are required to be furnished
5-15 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-16 Government Code.

5-17 (b) The governor, one of the required recipients, has
5-18 submitted the notice and Act to the Texas Commission on
5-19 Environmental Quality.

5-20 (c) The Texas Commission on Environmental Quality has filed
5-21 its recommendations relating to this Act with the governor, the
5-22 lieutenant governor, and the speaker of the house of
5-23 representatives within the required time.

5-24 (d) All requirements of the constitution and laws of this
5-25 state and the rules and procedures of the legislature with respect
5-26 to the notice, introduction, and passage of this Act are fulfilled
5-27 and accomplished.

5-28 SECTION 4. (a) If this Act does not receive a two-thirds
5-29 vote of all the members elected to each house, Subchapter C, Chapter
5-30 7933, Special District Local Laws Code, as added by Section 1 of
5-31 this Act, is amended by adding Section 7933.106 to read as follows:

5-32 Sec. 7933.106. NO EMINENT DOMAIN POWER. The district may
5-33 not exercise the power of eminent domain.

5-34 (b) This section is not intended to be an expression of a
5-35 legislative interpretation of the requirements of Section 17(c),
5-36 Article I, Texas Constitution.

5-37 SECTION 5. This Act takes effect immediately if it receives
5-38 a vote of two-thirds of all the members elected to each house, as
5-39 provided by Section 39, Article III, Texas Constitution. If this
5-40 Act does not receive the vote necessary for immediate effect, this
5-41 Act takes effect September 1, 2015.

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