

1-1 By: Creighton S.B. No. 2040
 1-2 (In the Senate - Filed April 8, 2015; April 9, 2015, read
 1-3 first time and referred to Committee on Intergovernmental
 1-4 Relations; May 6, 2015, reported favorably by the following vote:
 1-5 Yeas 5, Nays 0; May 6, 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	

1-15 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. 544; 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 7924 to read as follows:

1-24 CHAPTER 7924. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 544
 1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7924.001. 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. 544.

1-33 Sec. 7924.002. 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. 7924.003. 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. 7924.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-41 temporary directors may not hold an election under Section 7924.003
 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. 7924.005. 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. 7924.006. 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.

2-7 Sec. 7924.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT
 2-8 REINVESTMENT ZONE. (a) The district is eligible to be included in
 2-9 a tax increment reinvestment zone created under Chapter 311, Tax
 2-10 Code.

2-11 (b) If the City of Houston has created or creates a tax
 2-12 increment reinvestment zone described by Subsection (a) that
 2-13 includes all or part of the territory of the district, the City of
 2-14 Houston and the board of directors of the zone or a developer of
 2-15 property within the tax increment reinvestment zone that receives
 2-16 or will receive money from the tax increment fund, by contract with
 2-17 the district, may grant money to the district from the tax increment
 2-18 fund to be used for a permissible purpose of the district,
 2-19 including:

- 2-20 (1) the right to pledge the money as security for a
- 2-21 bond or other obligation issued by the district; and
- 2-22 (2) any permissible purpose of a corporation under
- 2-23 Section 380.002(b), Local Government Code.

2-24 SUBCHAPTER B. BOARD OF DIRECTORS

2-25 Sec. 7924.051. GOVERNING BODY; TERMS. (a) The district is
 2-26 governed by a board of five elected directors.

2-27 (b) Except as provided by Section 7924.052, directors serve
 2-28 staggered four-year terms.

2-29 Sec. 7924.052. TEMPORARY DIRECTORS. (a) On or after the
 2-30 effective date of the Act enacting this chapter, the owner or owners
 2-31 of a majority of the assessed value of the real property in the
 2-32 district may submit a petition to the commission requesting that
 2-33 the commission appoint as temporary directors the five persons
 2-34 named in the petition. The commission shall appoint as temporary
 2-35 directors the five persons named in the petition.

2-36 (b) Temporary directors serve until the earlier of:

- 2-37 (1) the date permanent directors are elected under
- 2-38 Section 7924.003; or
- 2-39 (2) the fourth anniversary of the effective date of
- 2-40 the Act enacting this chapter.

2-41 (c) If permanent directors have not been elected under
 2-42 Section 7924.003 and the terms of the temporary directors have
 2-43 expired, successor temporary directors shall be appointed or
 2-44 reappointed as provided by Subsection (d) to serve terms that
 2-45 expire on the earlier of:

- 2-46 (1) the date permanent directors are elected under
- 2-47 Section 7924.003; or
- 2-48 (2) the fourth anniversary of the date of the
- 2-49 appointment or reappointment.

2-50 (d) If Subsection (c) applies, the owner or owners of a
 2-51 majority of the assessed value of the real property in the district
 2-52 may submit a petition to the commission requesting that the
 2-53 commission appoint as successor temporary directors the five
 2-54 persons named in the petition. The commission shall appoint as
 2-55 successor temporary directors the five persons named in the
 2-56 petition.

2-57 SUBCHAPTER C. POWERS AND DUTIES

2-58 Sec. 7924.101. GENERAL POWERS AND DUTIES. The district has
 2-59 the powers and duties necessary to accomplish the purposes for
 2-60 which the district is created.

2-61 Sec. 7924.102. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-62 DUTIES. The district has the powers and duties provided by the
 2-63 general law of this state, including Chapters 49 and 54, Water Code,
 2-64 applicable to municipal utility districts created under Section 59,
 2-65 Article XVI, Texas Constitution.

2-66 Sec. 7924.103. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-67 52, Article III, Texas Constitution, the district may design,
 2-68 acquire, construct, finance, issue bonds for, improve, operate,
 2-69 maintain, and convey to this state, a county, or a municipality for

3-1 operation and maintenance macadamized, graveled, or paved roads, or
3-2 improvements, including storm drainage, in aid of those roads.

3-3 Sec. 7924.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
3-4 road project must meet all applicable construction standards,
3-5 zoning and subdivision requirements, and regulations of each
3-6 municipality in whose corporate limits or extraterritorial
3-7 jurisdiction the road project is located.

3-8 (b) If a road project is not located in the corporate limits
3-9 or extraterritorial jurisdiction of a municipality, the road
3-10 project must meet all applicable construction standards,
3-11 subdivision requirements, and regulations of each county in which
3-12 the road project is located.

3-13 (c) If the state will maintain and operate the road, the
3-14 Texas Transportation Commission must approve the plans and
3-15 specifications of the road project.

3-16 Sec. 7924.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
3-17 OR RESOLUTION. (a) The district shall comply with all applicable
3-18 requirements of any ordinance or resolution that is adopted under
3-19 Section 54.016 or 54.0165, Water Code, and that consents to the
3-20 creation of the district or to the inclusion of land in the
3-21 district.

3-22 (b) In addition to all the rights and remedies provided by
3-23 other law, if the district violates the terms of an ordinance or
3-24 resolution described by Subsection (a), the municipality is
3-25 entitled to injunctive relief or a writ of mandamus issued by a
3-26 court requiring the district and the district's officials to
3-27 observe and comply with the terms of the ordinance or resolution.

3-28 Sec. 7924.106. EFFECT OF ANNEXATION BY CITY OF HOUSTON.

3-29 (a) The City of Houston may annex all or part of the district into
3-30 its corporate limits without annexing the entire district under the
3-31 terms of a development agreement between the City of Houston and the
3-32 owners of the land in the district that is covered by the
3-33 development agreement. If a development agreement is not executed
3-34 or the agreement has expired, nothing in this chapter limits the
3-35 right of the City of Houston to annex the district.

3-36 (b) If the City of Houston annexes all or part of the
3-37 district into its corporate limits:

- 3-38 (1) the district is not dissolved;
- 3-39 (2) the ability of the district to issue bonds is not
3-40 impaired or precluded; and
- 3-41 (3) unless otherwise approved by the board and the

3-42 governing body of the City of Houston, the city:

3-43 (A) may not take over the property or other
3-44 assets of the district;

3-45 (B) may not assume any debts, liabilities, or
3-46 other obligations of the district;

3-47 (C) is not obligated to perform any functions of
3-48 the district; and

3-49 (D) is not obligated to pay a landowner or
3-50 developer for expenses incurred by the landowner or developer in
3-51 connection with the district that would otherwise be eligible for
3-52 reimbursement from the proceeds of bonds issued by the district.

3-53 (c) Notwithstanding Section 54.016(f)(2), Water Code, an
3-54 allocation agreement between the City of Houston and the district
3-55 that provides for the allocation of the taxes or revenues of the
3-56 district and the city following the date of inclusion of all the
3-57 district's territory in the corporate limits of the city may
3-58 provide that the total annual ad valorem taxes collected by the city
3-59 and the district from taxable property in the district may exceed
3-60 the city's ad valorem tax on that property.

3-61 Sec. 7924.107. LIMITATION ON USE OF EMINENT DOMAIN. The
3-62 district may not exercise the power of eminent domain outside the
3-63 district without the written consent of the City of Houston.

3-64 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-65 Sec. 7924.151. ELECTIONS REGARDING TAXES OR BONDS.

3-66 (a) The district may issue, without an election, bonds and other
3-67 obligations secured by revenue other than ad valorem taxes.

3-68 (b) The district must hold an election in the manner
3-69 provided by Chapters 49 and 54, Water Code, to obtain voter approval

4-1 before the district may impose an ad valorem tax or issue bonds
4-2 payable from ad valorem taxes.

4-3 (c) The district may not issue bonds payable from ad valorem
4-4 taxes to finance a road project unless the issuance is approved by a
4-5 vote of a two-thirds majority of the district voters voting at an
4-6 election held for that purpose.

4-7 Sec. 7924.152. OPERATION AND MAINTENANCE TAX. (a) If
4-8 authorized at an election held under Section 7924.151, the district
4-9 may impose an operation and maintenance tax on taxable property in
4-10 the district in accordance with Section 49.107, Water Code.

4-11 (b) The board shall determine the tax rate. The rate may not
4-12 exceed the rate approved at the election.

4-13 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-14 Sec. 7924.201. AUTHORITY TO ISSUE BONDS AND OTHER
4-15 OBLIGATIONS. The district may issue bonds or other obligations
4-16 payable wholly or partly from ad valorem taxes, impact fees,
4-17 revenue, contract payments, grants, or other district money, or any
4-18 combination of those sources, to pay for any authorized district
4-19 purpose.

4-20 Sec. 7924.202. TAXES FOR BONDS. At the time the district
4-21 issues bonds payable wholly or partly from ad valorem taxes, the
4-22 board shall provide for the annual imposition of a continuing
4-23 direct ad valorem tax, without limit as to rate or amount, while all
4-24 or part of the bonds are outstanding as required and in the manner
4-25 provided by Sections 54.601 and 54.602, Water Code.

4-26 Sec. 7924.203. BONDS FOR ROAD PROJECTS. At the time of
4-27 issuance, the total principal amount of bonds or other obligations
4-28 issued or incurred to finance road projects and payable from ad
4-29 valorem taxes may not exceed one-fourth of the assessed value of the
4-30 real property in the district.

4-31 SECTION 2. The Harris County Municipal Utility District No.
4-32 544 initially includes all the territory contained in the following
4-33 area:

4-34 BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND CONTAINING
4-35 138.03 ACRES OF LAND SITUATED IN THE WILLIAM WHITLOCK SURVEY,
4-36 ABSTRACT NO. 85, HARRIS COUNTY, TEXAS, AND BEING ALL OF A CALLED
4-37 60.288 ACRE TRACT BEING PLATTED AS INDIAN SHORES SECTIONS NINE (9)
4-38 AND TEN (10), UNRECORDED AND A CALLED 77.817 ACRE TRACT RECORDED IN
4-39 VOLUME 1250, PAGE 74 HARRIS COUNTY DEED RECORDS, SAID 138.03 ACRE
4-40 TRACT BEING THE SAME 138.0268 ACRE TRACT AS RECORDED IN H.C.C.F., NO
4-41 W777169 AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS,
4-42 AS FOLLOWS TO-WIT:

4-43 Beginning at a 5/8 inch iron rod found in the north line of a
4-44 called 233.8 acre tract as recorded in H.C.C.F. No. Y604056 and
4-45 same being the Southeast corner of lot Four (4), Block Eighteen (18)
4-46 of Indian Shores Section 3, according to the map or plat recorded in
4-47 Volume 131, Page 32 Harris County Map Records (HCMR) and being the
4-48 Southeast corner of the called 60.288 acre tract and the Southeast
4-49 corner and PLACE OF BEGINNING of the tract herein described.

4-50 THENCE NORTH 87 DEGREES 42 MINUTES 19 SECONDS EAST, a
4-51 distance of 2299.67 feet with the north line of the Wheless tract to
4-52 a 1 inch iron pipe found for the Southwest corner Lot 1, Block 8 of
4-53 Rustic Acres Section 2, according to the map or plat recorded in
4-54 Volume 104, Page 809 Block Book for Harris County and being the
4-55 Southeast corner of the called 77.817 acre tract and the Southeast
4-56 corner of this tract herein described.

4-57 THENCE NORTH 17 DEGREES 11 MINUTES 18 SECONDS EAST, a
4-58 distance of 1499.32 feet, (called 1500.55 feet), with the west line
4-59 of said Rustic Acres Section 2 to a 5/8 inch iron rod found at the
4-60 intersection of the south right-of-way of Stoker Road, having a
4-61 right-of-way width of 100 feet, for the Northwest corner of Rustic
4-62 Acres Section 2 and same being the Southwest corner of Indian Shores
4-63 Section 6 according to the map of plat filed in Volume 165, Page 52
4-64 HCMR.

4-65 THENCE NORTH 17 DEGREES 05 MINUTES 22 SECONDS EAST, a
4-66 distance of 644.33 feet with the west line of said Indian Shores
4-67 Section 6 to a 5/8 inch iron rod found in the south line of Lot 2,
4-68 Block 6 of Indian Shores Section One according to the map or plat
4-69 recorded in Volume 119, Page 63 HCMR for the Northwest corner of

5-1 Indian Shores Section 6 and the Northeast corner of this tract
5-2 herein described.

5-3 THENCE FOLLOWING THE SOUTH BOUNDARY OF INDIAN SHORES SECTION
5-4 ONE (1) IN A WESTERLY DIRECTION AS FOLLOWS

5-5 THENCE SOUTH 87 DEGREES 51 MINUTES 26 SECONDS WEST, a
5-6 distance of 181.78 feet to a 5/8 inch iron rod found for an angle
5-7 point.

5-8 THENCE NORTH 84 DEGREES 11 MINUTES 58 SECONDS WEST, a
5-9 distance of 304.97 feet to a 1 inch iron pipe found for an angle
5-10 point,

5-11 THENCE NORTH 73 DEGREES 27 MINUTES 09 SECONDS WEST, a
5-12 distance of 274.25 feet to a 1/4 inch iron rod found for an angle
5-13 point,

5-14 THENCE NORTH 57 DEGREES 45 MINUTES 08 SECONDS WEST, a
5-15 distance of 954.57 feet to a 1 inch iron pipe found for the
5-16 Northeast corner of Lot One (1), Block Four (4) of Indian Shores
5-17 Section Two (2) according to the map or plat recorded in Volume 125,
5-18 Page 6 HCMR for the Northwest corner of this tract.

5-19 THENCE FOLLOWING THE EAST LINE OF SAID INDIAN SHORES SECTION
5-20 TWO (2) AS FOLLOWS:

5-21 THENCE SOUTH 40 DEGREES 25 MINUTES 36 SECONDS WEST, a
5-22 distance of 240.48 feet to a 1/2 inch iron rod found at the
5-23 Intersection with the south right-of-way of Running Bear Trail,
5-24 having a right-of-way width of sixty (60) feet.

5-25 THENCE NORTH 45 DEGREES 58 MINUTES 51 SECONDS WEST, a
5-26 distance of 30.35 feet with the south right-of-way of Running Bear
5-27 Trail to a 3/8 inch iron rod found for the Northeast corner at Lot 1,
5-28 Block 10 of said Section 2,

5-29 THENCE SOUTH 43 DEGREES 23 MINUTES 15 SECONDS WEST, a
5-30 distance of 223.16 feet to a 1/2 inch iron rod found for the
5-31 Southeast corner of said Lot 1, Block 10,

5-32 THENCE NORTH 26 DEGREES 19 MINUTES 19 SECONDS WEST, a
5-33 distance of 28.88 feet to a 1/2 inch iron rod found for the
5-34 Northeast corner of Lot 2, Block 10,

5-35 THENCE SOUTH 71 DEGREES 13 MINUTES 06 SECONDS WEST, a
5-36 distance of 829.60 feet to a 5/8 inch iron rod found for the
5-37 Southwest corner of Lot 11, Block 13, Section 2,

5-38 THENCE SOUTH 18 DEGREES 44 MINUTES 18 SECONDS EAST, a
5-39 distance of 80.01 feet to a 5/8 inch iron rod found for an angle
5-40 point,

5-41 THENCE SOUTH 16 DEGREES 03 MINUTES 16 SECONDS WEST, a
5-42 distance of 523.67 feet to a 1 inch iron bolt found for an angle
5-43 point,

5-44 THENCE SOUTH 20 DEGREES 38 MINUTES 58 SECONDS WEST, a
5-45 distance of 1006.73 feet to a 1/2 inch iron rod found for an angle
5-46 point,

5-47 THENCE SOUTH 64 DEGREES 27 MINUTES 48 SECONDS EAST, a
5-48 distance of 214.94 feet to a 1/2 inch iron rod found for an angle
5-49 point and being the Northeast corner of White Dove Trail, having a
5-50 right-of-way width of sixty (60) feet,

5-51 THENCE SOUTH 22 DEGREES 15 MINUTES 37 SECONDS WEST, a
5-52 distance of 43.07 feet with the east right-of-way of said White Dove
5-53 Trail to a 3/4 inch iron rod found for the Northwest corner of Lot 1,
5-54 Block 17, Indian Shores Section 3,

5-55 THENCE SOUTH 67 DEGREES 59 MINUTES 55 SECONDS EAST, a
5-56 distance of 170.27 feet to a 5/8 inch iron rod found for an angle
5-57 point,

5-58 THENCE SOUTH 22 DEGREES 08 MINUTES 33 SECONDS WEST, a
5-59 distance of 125.02 feet to a 1/2 inch iron rod found for the
5-60 Northeast corner of Silver Moon Trail, having a right-of-way width
5-61 of 60 feet,

5-62 THENCE SOUTH 34 DEGREES 03 MINUTES 33 SECONDS WEST, a
5-63 distance of 293.77 feet to a 5/8 inch iron rod found for the most
5-64 south corner of Lot 5, Block 18, Section 3,

5-65 THENCE SOUTH 43 DEGREES 54 MINUTES 05 SECONDS EAST, a
5-66 distance of 151.12 feet to the PLACE OF BEGINNING and containing
5-67 138.03 acres more or less.

5-68 SECTION 3. (a) The legal notice of the intention to
5-69 introduce this Act, setting forth the general substance of this

6-1 Act, has been published as provided by law, and the notice and a
6-2 copy of this Act have been furnished to all persons, agencies,
6-3 officials, or entities to which they are required to be furnished
6-4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-5 Government Code.

6-6 (b) The governor, one of the required recipients, has
6-7 submitted the notice and Act to the Texas Commission on
6-8 Environmental Quality.

6-9 (c) The Texas Commission on Environmental Quality has filed
6-10 its recommendations relating to this Act with the governor, the
6-11 lieutenant governor, and the speaker of the house of
6-12 representatives within the required time.

6-13 (d) All requirements of the constitution and laws of this
6-14 state and the rules and procedures of the legislature with respect
6-15 to the notice, introduction, and passage of this Act are fulfilled
6-16 and accomplished.

6-17 SECTION 4. (a) Section 7924.107, Special District Local
6-18 Laws Code, as added by Section 1 of this Act, takes effect only if
6-19 this Act receives a two-thirds vote of all the members elected to
6-20 each house.

6-21 (b) If this Act does not receive a two-thirds vote of all the
6-22 members elected to each house, Subchapter C, Chapter 7924, Special
6-23 District Local Laws Code, as added by Section 1 of this Act, is
6-24 amended by adding Section 7924.107 to read as follows:

6-25 Sec. 7924.107. NO EMINENT DOMAIN POWER. The district may
6-26 not exercise the power of eminent domain.

6-27 (c) This section is not intended to be an expression of a
6-28 legislative interpretation of the requirements of Section 17(c),
6-29 Article I, Texas Constitution.

6-30 SECTION 5. This Act takes effect immediately if it receives
6-31 a vote of two-thirds of all the members elected to each house, as
6-32 provided by Section 39, Article III, Texas Constitution. If this
6-33 Act does not receive the vote necessary for immediate effect, this
6-34 Act takes effect September 1, 2015.

6-35 * * * * *