

1-1 By: Campbell S.B. No. 2074  
 1-2 (In the Senate - Filed May 6, 2015; May 7, 2015, read first  
 1-3 time and referred to Committee on Intergovernmental Relations;  
 1-4 May 18, 2015, reported favorably by the following vote: Yeas 5,  
 1-5 Nays 0; May 18, 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 Legacy Municipal Utility District  
 1-18 No. 1; granting a limited power of eminent domain; providing  
 1-19 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 7957 to read as follows:

1-24 CHAPTER 7957. LEGACY MUNICIPAL UTILITY DISTRICT NO. 1

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7957.001. 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 Legacy Municipal Utility

1-32 District No. 1.

1-33 Sec. 7957.002. 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. 7957.003. 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. 7957.004. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-41 temporary directors may not hold an election under Section 7957.003  
 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. 7957.005. 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. 7957.006. 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 SUBCHAPTER B. BOARD OF DIRECTORS

2-8 Sec. 7957.051. 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 7957.052, directors serve

2-11 staggered four-year terms.

2-12 Sec. 7957.052. 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 7957.003; 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 7957.003 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 7957.003; 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.

2-40 SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 7957.101. 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. 7957.102. 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. 7957.103. 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. 7957.104. 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. 7957.105. 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 Sec. 7957.106. DIVISION OF DISTRICT. (a) The district may  
3-6 be divided into two or more districts only if:

- 3-7 (1) the district has no outstanding bonded debt;
- 3-8 (2) the district is not imposing ad valorem taxes; and
- 3-9 (3) the requirements of Subsection (i), as applicable,  
3-10 are satisfied.

3-11 (b) This chapter applies to any new district created by the  
3-12 division of the district, and a new district has all the powers and  
3-13 duties of the district.

3-14 (c) A new district created by the division of the district  
3-15 may not, at the time the new district is created, contain any land  
3-16 outside the area described by Section 2 of the Act creating this  
3-17 chapter.

3-18 (d) The board, on its own motion or on receipt of a petition  
3-19 signed by the owner or owners of a majority of the assessed value of  
3-20 the real property in the district, may adopt an order dividing the  
3-21 district.

3-22 (e) The board may adopt an order dividing the district  
3-23 before or after the date the board holds an election under Section  
3-24 7957.003 to confirm the district's creation.

3-25 (f) An order dividing the district shall:

- 3-26 (1) name the new district;
- 3-27 (2) include the metes and bounds of each new district;
- 3-28 (3) appoint temporary directors for each new district;

3-29 and

3-30 (4) provide for the division of assets and liabilities  
3-31 between the district and each new district.

3-32 (g) On or before the 30th day after the date of adoption of  
3-33 an order dividing the district, the district shall file the order  
3-34 with the Texas Commission on Environmental Quality and record the  
3-35 order in the real property records of each county in which the  
3-36 district is located.

3-37 (h) A new district created by the division of the district  
3-38 shall hold a confirmation and directors' election as required by  
3-39 Section 7957.003.

3-40 (i) If the district is located wholly or partly in the  
3-41 corporate limits or the extraterritorial jurisdiction of a  
3-42 municipality, the district may not divide under this section unless  
3-43 the municipality by resolution or ordinance consents to the  
3-44 division of the district. If the district is not located wholly or  
3-45 partly in the corporate limits or extraterritorial jurisdiction of  
3-46 a municipality, the district may not divide under this section  
3-47 unless the commissioners court of each county in which the district  
3-48 is wholly or partly located first adopts a resolution or order in  
3-49 support of the division of the district.

3-50 (j) Any new district created by the division of the district  
3-51 must hold an election as required by this chapter to obtain voter  
3-52 approval before the district may impose a maintenance tax or issue  
3-53 bonds payable wholly or partly from ad valorem taxes.

3-54 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-55 Sec. 7957.151. ELECTIONS REGARDING TAXES OR BONDS.

3-56 (a) The district may issue, without an election, bonds and other  
3-57 obligations secured by:

- 3-58 (1) revenue other than ad valorem taxes; or
- 3-59 (2) contract payments described by Section 7957.153.

3-60 (b) The district must hold an election in the manner  
3-61 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-62 before the district may impose an ad valorem tax or issue bonds  
3-63 payable from ad valorem taxes.

3-64 (c) The district may not issue bonds payable from ad valorem  
3-65 taxes to finance a road project unless the issuance is approved by a  
3-66 vote of a two-thirds majority of the district voters voting at an  
3-67 election held for that purpose.

3-68 Sec. 7957.152. OPERATION AND MAINTENANCE TAX. (a) If  
3-69 authorized at an election held under Section 7957.151, the district

4-1 may impose an operation and maintenance tax on taxable property in  
4-2 the district in accordance with Section 49.107, Water Code.

4-3 (b) The board shall determine the tax rate. The rate may not  
4-4 exceed the rate approved at the election.

4-5 Sec. 7957.153. CONTRACT TAXES. (a) In accordance with  
4-6 Section 49.108, Water Code, the district may impose a tax other than  
4-7 an operation and maintenance tax and use the revenue derived from  
4-8 the tax to make payments under a contract after the provisions of  
4-9 the contract have been approved by a majority of the district voters  
4-10 voting at an election held for that purpose.

4-11 (b) A contract approved by the district voters may contain a  
4-12 provision stating that the contract may be modified or amended by  
4-13 the board without further voter approval.

4-14 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-15 Sec. 7957.201. AUTHORITY TO ISSUE BONDS AND OTHER  
4-16 OBLIGATIONS. The district may issue bonds or other obligations  
4-17 payable wholly or partly from ad valorem taxes, impact fees,  
4-18 revenue, contract payments, grants, or other district money, or any  
4-19 combination of those sources, to pay for any authorized district  
4-20 purpose.

4-21 Sec. 7957.202. TAXES FOR BONDS. At the time the district  
4-22 issues bonds payable wholly or partly from ad valorem taxes, the  
4-23 board shall provide for the annual imposition of a continuing  
4-24 direct ad valorem tax, without limit as to rate or amount, while all  
4-25 or part of the bonds are outstanding as required and in the manner  
4-26 provided by Sections 54.601 and 54.602, Water Code.

4-27 Sec. 7957.203. BONDS FOR ROAD PROJECTS. At the time of  
4-28 issuance, the total principal amount of bonds or other obligations  
4-29 issued or incurred to finance road projects and payable from ad  
4-30 valorem taxes may not exceed one-fourth of the assessed value of the  
4-31 real property in the district.

4-32 SECTION 2. The Legacy Municipal Utility District No. 1  
4-33 initially includes all the territory contained in the following  
4-34 area:

4-35 Being 781.23 acres out of the S.D. Gervais League, No. Eight  
4-36 (8), Hays County, Texas, described as follows, to-wit:

4-37 BEGINNING at a nail in fence corner post in the North line of  
4-38 FM Road 967 as described in deed from E.R.L. Wroe to The State of  
4-39 Texas recorded in Volume 163, Page 536 of the Deed of Records of  
4-40 Hays County, Texas, said point being the relocated Southwest corner  
4-41 of that certain 1200 acre tract conveyed to E.R.L. Wroe by deed  
4-42 recorded in Volume 139, Page 602 of the Deed of Records of Hays  
4-43 County, Texas, for the southwest corner of the tract herein  
4-44 described and being the Southeast corner of the P.R. Rutherford  
4-45 Greenhaw tract, from which the original Southwest corner of the  
4-46 said Wroe 1200 acre tract bears S 0 deg. 40'W. 114 ft., more or less;

4-47 THENCE with the fence along the West line of the said Wroe  
4-48 tract and East line of the said Rutherford tract, being also the  
4-49 West line of said S.D. Gervais League and the East line of the Thos.  
4-50 F. Gray League, N 0 deg. 40'E a distance of 4869.91 ft. to a fence  
4-51 corner post at the occupied Northwest corner of the Wroe tract, for  
4-52 the Northwest corner of this tract;

4-53 THENCE with the fence along occupied North line of the said  
4-54 Wroe 1200 acre tract with the courses and distances as follows: S 89  
4-55 deg. 30'E. 267.84 ft., N 87 deg. 56'E. 128.56 ft., S 89 deg. 45'E  
4-56 442.77 ft., N 89 deg. 17'E. 135.15 ft., S 89 deg. 51'E 954.73 ft., S  
4-57 89 deg. 36'E 1299.82 ft., N 89 deg. 35'E 1099.83 ft., S 89 deg. 55'E  
4-58 2482.80 ft., for the Northeast corner of the tract;

4-59 THENCE with the East line of this tract, over and across said  
4-60 Wroe tract, DUE South 4981.60 feet to an iron stake set for the  
4-61 Southeast corner of this tract;

4-62 THENCE with the fence along the North right-of-way line of FM  
4-63 967 and the relocated South line of the said Wroe tract, S 89 deg,  
4-64 56'W. 1003.37 ft., N 89 deg. 47'W. 5321.17 ft. to a concrete  
4-65 right-of-way monument at point of curve to the right, the radius of  
4-66 which is 1585.35 ft., for an angle point in this tract;

4-67 THENCE with the fence along the curving North line of the said  
4-68 road to the right, an arc distance of 555.46 ft., the cord of which  
4-69 bears N 79 deg. 45'W 552.61 ft. to the Place of Beginning,



5-1 containing 781.23 acres of land, more or less.

5-2 SECTION 3. (a) The legal notice of the intention to  
5-3 introduce this Act, setting forth the general substance of this  
5-4 Act, has been published as provided by law, and the notice and a  
5-5 copy of this Act have been furnished to all persons, agencies,  
5-6 officials, or entities to which they are required to be furnished  
5-7 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
5-8 Government Code.

5-9 (b) The governor, one of the required recipients, has  
5-10 submitted the notice and Act to the Texas Commission on  
5-11 Environmental Quality.

5-12 (c) The Texas Commission on Environmental Quality has filed  
5-13 its recommendations relating to this Act with the governor, the  
5-14 lieutenant governor, and the speaker of the house of  
5-15 representatives within the required time.

5-16 (d) All requirements of the constitution and laws of this  
5-17 state and the rules and procedures of the legislature with respect  
5-18 to the notice, introduction, and passage of this Act are fulfilled  
5-19 and accomplished.

5-20 SECTION 4. (a) If this Act does not receive a two-thirds  
5-21 vote of all the members elected to each house, Subchapter C, Chapter  
5-22 7957, Special District Local Laws Code, as added by Section 1 of  
5-23 this Act, is amended by adding Section 7957.107 to read as follows:

5-24 Sec. 7957.107. NO EMINENT DOMAIN POWER. The district may  
5-25 not exercise the power of eminent domain.

5-26 (b) This section is not intended to be an expression of a  
5-27 legislative interpretation of the requirements of Section 17(c),  
5-28 Article I, Texas Constitution.

5-29 SECTION 5. This Act takes effect immediately if it receives  
5-30 a vote of two-thirds of all the members elected to each house, as  
5-31 provided by Section 39, Article III, Texas Constitution. If this  
5-32 Act does not receive the vote necessary for immediate effect, this  
5-33 Act takes effect September 1, 2015.

5-34

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