

1-1 By: Dutton (Senate Sponsor - Whitmire) H.B. No. 2687
1-2 (In the Senate - Received from the House May 5, 2017;
1-3 May 15, 2017, read first time and referred to Committee on
1-4 Administration; May 23, 2017, reported favorably by the following
1-5 vote: Yeas 7, Nays 0; May 23, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

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

1-17 relating to the creation of the Lago Bello Municipal Utility
1-18 District No. 1 of Harris County; granting a limited power of eminent
1-19 domain; providing authority to issue bonds; providing authority to
1-20 impose 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 7990 to read as follows:

1-24 CHAPTER 7990. LAGO BELLO MUNICIPAL UTILITY DISTRICT NO. 1 OF HARRIS
1-25 COUNTY

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 7990.001. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "Commission" means the Texas Commission on
1-30 Environmental Quality.

1-31 (3) "Director" means a board member.

1-32 (4) "District" means the Lago Bello Municipal Utility
1-33 District No. 1 of Harris County.

1-34 Sec. 7990.002. NATURE OF DISTRICT. The district is a
1-35 municipal utility district created under Section 59, Article XVI,
1-36 Texas Constitution.

1-37 Sec. 7990.003. CONFIRMATION AND DIRECTORS' ELECTION
1-38 REQUIRED. The temporary directors shall hold an election to
1-39 confirm the creation of the district and to elect five permanent
1-40 directors as provided by Section 49.102, Water Code.

1-41 Sec. 7990.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-42 temporary directors may not hold an election under Section 7990.003
1-43 until each municipality in whose corporate limits or
1-44 extraterritorial jurisdiction the district is located has
1-45 consented by ordinance or resolution to the creation of the
1-46 district and to the inclusion of land in the district.

1-47 Sec. 7990.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
1-48 The district is created to serve a public purpose and benefit.

1-49 (b) The district is created to accomplish the purposes of:

1-50 (1) a municipal utility district as provided by
1-51 general law and Section 59, Article XVI, Texas Constitution; and

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

1-56 Sec. 7990.006. INITIAL DISTRICT TERRITORY. (a) The
1-57 district is initially composed of the territory described by
1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of
1-60 the Act enacting this chapter form a closure. A mistake made in the
1-61 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:

2-2 (1) organization, existence, or validity;

2-3 (2) right to issue any type of bond for the purposes
 2-4 for which the district is created or to pay the principal of and
 2-5 interest on a bond;

2-6 (3) right to impose a tax; or

2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 7990.051. GOVERNING BODY; TERMS. (a) The district is
 2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 7990.052, directors serve
 2-12 staggered four-year terms.

2-13 Sec. 7990.052. TEMPORARY DIRECTORS. (a) On or after
 2-14 September 1, 2017, the owner or owners of a majority of the assessed
 2-15 value of the real property in the district may submit a petition to
 2-16 the commission requesting that the commission appoint as temporary
 2-17 directors the five persons named in the petition. The commission
 2-18 shall appoint as temporary directors the five persons named in the
 2-19 petition.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under
 2-22 Section 7990.003; or

2-23 (2) September 1, 2021.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 7990.003 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 7990.003; 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. 7990.101. 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. 7990.102. 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. 7990.103. 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. 7990.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 2-56 project must meet all applicable construction standards, zoning and
 2-57 subdivision requirements, and regulations of each municipality in
 2-58 whose corporate limits or extraterritorial jurisdiction the road
 2-59 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. 7990.105. 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. 7990.106. DIVISION OF DISTRICT. (a) The district may
 3-6 be divided into two or more new districts only if the district:

3-7 (1) has no outstanding bonded debt; and

3-8 (2) is not imposing ad valorem taxes.

3-9 (b) This chapter applies to any new district created by the
 3-10 division of the district, and a new district has all the powers and
 3-11 duties of the district.

3-12 (c) Any new district created by the division of the district
 3-13 may not, at the time the new district is created, contain any land
 3-14 outside the area described by Section 2 of the Act creating this
 3-15 chapter.

3-16 (d) The board, on its own motion or on receipt of a petition
 3-17 signed by the owner or owners of a majority of the assessed value of
 3-18 the real property in the district, may adopt an order dividing the
 3-19 district.

3-20 (e) The board may adopt an order dividing the district
 3-21 before or after the date the board holds an election under Section
 3-22 7990.003 to confirm the district's creation.

3-23 (f) An order dividing the district shall:

3-24 (1) name each new district;

3-25 (2) include the metes and bounds description of the
 3-26 territory of each new district;

3-27 (3) appoint temporary directors for each new district;

3-28 and

3-29 (4) provide for the division of assets and liabilities
 3-30 between or among the new districts.

3-31 (g) On or before the 30th day after the date of adoption of
 3-32 an order dividing the district, the district shall file the order
 3-33 with the Texas Commission on Environmental Quality and record the
 3-34 order in the real property records of each county in which the
 3-35 district is located.

3-36 (h) Any new district created by the division of the district
 3-37 shall hold a confirmation and directors' election as required by
 3-38 Section 7990.003. If the voters of a new district do not confirm
 3-39 the creation of the new district, the assets, obligations,
 3-40 territory, and governance of the new district revert to the
 3-41 original district.

3-42 (i) Municipal consent to the creation of the district and to
 3-43 the inclusion of land in the district granted under Section
 3-44 7990.004 acts as municipal consent to the creation of any new
 3-45 district created by the division of the district and to the
 3-46 inclusion of land in the new district.

3-47 (j) Any new district created by the division of the district
 3-48 must hold an election as required by this chapter to obtain voter
 3-49 approval before the district may impose a maintenance tax or issue
 3-50 bonds payable wholly or partly from ad valorem taxes.

3-51 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-52 Sec. 7990.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
 3-53 district may issue, without an election, bonds and other
 3-54 obligations secured by:

3-55 (1) revenue other than ad valorem taxes; or

3-56 (2) contract payments described by Section 7990.153.

3-57 (b) The district must hold an election in the manner
 3-58 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-59 before the district may impose an ad valorem tax or issue bonds
 3-60 payable from ad valorem taxes.

3-61 (c) The district may not issue bonds payable from ad valorem
 3-62 taxes to finance a road project unless the issuance is approved by a
 3-63 vote of a two-thirds majority of the district voters voting at an
 3-64 election held for that purpose.

3-65 Sec. 7990.152. OPERATION AND MAINTENANCE TAX. (a) If
 3-66 authorized at an election held under Section 7990.151, the district
 3-67 may impose an operation and maintenance tax on taxable property in
 3-68 the district in accordance with Section 49.107, Water Code.

3-69 (b) The board shall determine the tax rate. The rate may not

4-1 exceed the rate approved at the election.

4-2 Sec. 7990.153. CONTRACT TAXES. (a) In accordance with
 4-3 Section 49.108, Water Code, the district may impose a tax other than
 4-4 an operation and maintenance tax and use the revenue derived from
 4-5 the tax to make payments under a contract after the provisions of
 4-6 the contract have been approved by a majority of the district voters
 4-7 voting at an election held for that purpose.

4-8 (b) A contract approved by the district voters may contain a
 4-9 provision stating that the contract may be modified or amended by
 4-10 the board without further voter approval.

4-11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-12 Sec. 7990.201. AUTHORITY TO ISSUE BONDS AND OTHER
 4-13 OBLIGATIONS. The district may issue bonds or other obligations
 4-14 payable wholly or partly from ad valorem taxes, impact fees,
 4-15 revenue, contract payments, grants, or other district money, or any
 4-16 combination of those sources, to pay for any authorized district
 4-17 purpose.

4-18 Sec. 7990.202. TAXES FOR BONDS. At the time the district
 4-19 issues bonds payable wholly or partly from ad valorem taxes, the
 4-20 board shall provide for the annual imposition of a continuing
 4-21 direct ad valorem tax, without limit as to rate or amount, while all
 4-22 or part of the bonds are outstanding as required and in the manner
 4-23 provided by Sections 54.601 and 54.602, Water Code.

4-24 Sec. 7990.203. BONDS FOR ROAD PROJECTS. At the time of
 4-25 issuance, the total principal amount of bonds or other obligations
 4-26 issued or incurred to finance road projects and payable from ad
 4-27 valorem taxes may not exceed one-fourth of the assessed value of the
 4-28 real property in the district.

4-29 SECTION 2. The Lago Bello Municipal Utility District No. 1
 4-30 of Harris County initially includes all the territory contained in
 4-31 the following area:

4-32 1,045.7854 ACRES OF LAND, BEING OUT OF THAT CERTAIN
 4-33 CONVEYANCE EXECUTED JULY 15, 1959, FROM E.M. WISE (SOMETIMES KNOWN
 4-34 AS E. MONROE WISE) AND WIFE HELEN LUCILLE WISE, GRANTORS, TO PAUL F.
 4-35 BAMHART, GRANTEE, RECORDED ON JULY 15, 1959 IN VOLUME 3753, PAGE 16
 4-36 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, AND RE-RECORDED ON
 4-37 SEPTEMBER 25, 1959 IN VOLUME 3814, PAGE 327 OF THE DEED RECORDS OF
 4-38 HARRIS COUNTY, TEXAS. THIS CONVEYANCE COVERS 432.716 ACRES, MORE OR
 4-39 LESS, OUT OF THE REUBEN WHITE SURVEY, A-84; 455.886 ACRES, MORE OR
 4-40 LESS, OUT OF SECTION 2 OF THE HT&BRR CO. SURVEY, A-1619; AND 456.08
 4-41 ACRES, MORE OR LESS, OUT OF SECTION 2 & 3 OF THE HT&BRR CO. SURVEY
 4-42 401, TOGETHER WITH THAT CERTAIN WARRANTY DEED CONTAINING 89.80
 4-43 ACRES, MORE OR LESS, OUT OF SECTION 3 OF THE HT&BRR CO. SURVEY,
 4-44 A-501, HARRIS COUNTY, TEXAS, EXECUTED ON DECEMBER 15, 1960, FROM
 4-45 MRS. MARY ANDERSON, A WIDOW, LEROY L. ANDERSON JOINED BY HIS WIFE,
 4-46 HARRIETT IDELL ANDERSON, MRS. MADELINE ESTHER ANDERSON RAMSEY
 4-47 JOINED BY HER HUSBAND, THEO A. RAMSEY, MISS ALICE VIVIAN ANDERSON, A
 4-48 SINGLE WOMAN, AND MRS. LUCILLE KENNING HARE, A WIDOW, GRANTORS, TO
 4-49 PAUL F. BURNHART, GRANTEE, RECORDED ON JANUARY 16, 1961 IN VOLUME
 4-50 4255, PAGE 229 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS; AND A
 4-51 80.0 ACRE TRACT RECORDED UNDER VOLUME 334, PAGE 90 OF THE DEED
 4-52 RECORDS OF HARRIS COUNTY, TEXAS; SAID 1,045.7854 ACRES OF LAND
 4-53 BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

4-54 BEGINNING AT THE A POINT ON THE EASTERLY LINE OF F.M. HIGHWAY
 4-55 2100 (CROSBY-LYCHBURG ROAD)(80 FOOT RIGHT-OF-WAY) AND THE
 4-56 SOUTHWEST CORNER OF SAINT CHARLES PLACE SUBDIVISION SECTION 2, A
 4-57 SUBDIVISION IN HARRIS COUNTY, TEXAS, ACCORDING TO THE MAP RECORDED
 4-58 UNDER VOLUME 23, PAGE 7 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS.

4-59 THENCE SOUTH 89°03'00" EAST, ALONG THE SOUTH LINE OF SAID ST.
 4-60 CHARLES PLACE - SECTION 2, A DISTANCE OF 4613.40 FEET TO THE SOUTH
 4-61 EAST CORNER OF SAID ST. CHARLES PLACE - SECTION 2 AND AN INTERIOR
 4-62 CORNER OF HEREIN DESCRIBED TRACT;

4-63 THENCE NORTH 00°57'00" EAST, ALONG THE EAST LINE OF SAID ST.
 4-64 CHARLES PLACE - SECTION 2, A DISTANCE OF 247.90 FEET TO A POINT IN
 4-65 THE CENTERLINE AND END OF EAGLETON LANE (40 FEET WIDE);

4-66 THENCE SOUTH 89°03'00" EAST, A DISTANCE OF 20.00 FEET TO A
 4-67 POINT MARKING THE SOUTHEAST CORNER OF SAID EAGLETON LANE;

4-68 THENCE NORTH 00°57'00" EAST, ALONG THE EAST LINE OF SAID
 4-69 EAGLETON LANE, A DISTANCE OF 4528.82 FEET TO A POINT IN THE SOUTH

5-1 LINE OF F.M. HIGHWAY 1942 (CROSBY-CEDAR BAYOU ROAD) (RIGHT-OF-WAY
5-2 VARIES) AND MARKING THE NORTHWEST CORNER OF HEREIN DESCRIBED TRACT;
5-3 THENCE SOUTH 69°03'00" EAST, ALONG THE SOUTH LINE OF SAID F.M.
5-4 HIGHWAY 1942, A DISTANCE OF 3646.64 FEET TO THE SOUTHWEST
5-5 INTERSECTION OF SAID F.M. HIGHWAY 1942 AND SRALLA ROAD
5-6 (RIGHT-OF-WAY VARIES), SAID POINT MARKING THE NORTHEAST CORNER OF
5-7 HEREIN DESCRIBED TRACT;

5-8 THENCE SOUTH 00°48'18" WEST, ALONG THE WEST LINE OF SAID
5-9 SRALLA ROAD, A DISTANCE OF 1466.74 FEET TO A POINT FOR CORNER;

5-10 THENCE IN A SOUTHWESTERLY DIRECTION WITH A CURVE TO THE LEFT,
5-11 HAVING A RADIUS OF 25,143.98 FEET AND A DISTANCE OF 2822.62 FEET,
5-12 WITH A CHORD BEARING OF SOUTH 44°30'24" WEST AND DISTANCE OF 2821.14
5-13 TO A POINT FOR CORNER;

5-14 THENCE IN A SOUTHWESTERLY DIRECTION WITH A CURVE TO THE LEFT,
5-15 HAVING A RADIUS OF 19,203.02 FEET AND A DISTANCE OF 4583.55 FEET
5-16 WITH A CHORD BEARING OF SOUTH 74°14'30" WEST AND DISTANCE OF 4572.67
5-17 FEET TO A POINT FOR CORNER;

5-18 THENCE NORTH 89°03'00" WEST, ALONG THE NORTH LINE OF SAID
5-19 ECLIPSE CAPITAL, LLC TRACT, A DISTANCE OF 1141.79 FEET TO A POINT IN
5-20 THE EAST LINE OF SAID F.M. HIGHWAY 2100;

5-21 THENCE NORTH 03°33'00" WEST, ALONG THE EAST LINE OF SAID F.M.
5-22 HIGHWAY 2100, A DISTANCE OF 3269.23 FEET TO A POINT FOR CORNER;

5-23 THENCE NORTH 13°42'00" WEST, ALONG THE EAST LINE OF SAID F.M.
5-24 HIGHWAY 2100, A DISTANCE 1880.06 FEET TO THE PLACE OF BEGINNING AND
5-25 CONTAINING 1,308.8450 ACRES OF LAND, MORE OR LESS

5-26 SECTION 3. (a) The legal notice of the intention to
5-27 introduce this Act, setting forth the general substance of this
5-28 Act, has been published as provided by law, and the notice and a
5-29 copy of this Act have been furnished to all persons, agencies,
5-30 officials, or entities to which they are required to be furnished
5-31 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-32 Government Code.

5-33 (b) The governor, one of the required recipients, has
5-34 submitted the notice and Act to the Texas Commission on
5-35 Environmental Quality.

5-36 (c) The Texas Commission on Environmental Quality has filed
5-37 its recommendations relating to this Act with the governor, the
5-38 lieutenant governor, and the speaker of the house of
5-39 representatives within the required time.

5-40 (d) All requirements of the constitution and laws of this
5-41 state and the rules and procedures of the legislature with respect
5-42 to the notice, introduction, and passage of this Act are fulfilled
5-43 and accomplished.

5-44 SECTION 4. (a) If this Act does not receive a two-thirds
5-45 vote of all the members elected to each house, Subchapter C, Chapter
5-46 7990, Special District Local Laws Code, as added by Section 1 of
5-47 this Act, is amended by adding Section 7990.107 to read as follows:

5-48 Sec. 7990.107. NO EMINENT DOMAIN POWER. The district may
5-49 not exercise the power of eminent domain.

5-50 (b) This section is not intended to be an expression of a
5-51 legislative interpretation of the requirements of Section 17(c),
5-52 Article I, Texas Constitution.

5-53 SECTION 5. This Act takes effect September 1, 2017.

5-54 * * * * *