

1-1 By: King of Parker (Senate Sponsor - Estes) H.B. No. 2912
 1-2 (In the Senate - Received from the House May 5, 2017;
 1-3 May 11, 2017, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 17, 2017, reported adversely,
 1-5 with favorable Committee Substitute by the following vote: Yeas 5,
 1-6 Nays 0, 1 present not voting; May 17, 2017, sent to printer.)

1-7 COMMITTEE VOTE

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

1-16 COMMITTEE SUBSTITUTE FOR H.B. No. 2912 By: Campbell

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

1-19 relating to the creation of the New Fairview Municipal Utility
 1-20 District No. 1; 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 7987 to read as follows:

1-26 CHAPTER 7987. NEW FAIRVIEW MUNICIPAL UTILITY DISTRICT NO. 1

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7987.001. 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 New Fairview Municipal
 1-34 Utility District No. 1.

1-35 Sec. 7987.002. 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. 7987.003. 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. 7987.004. CONSENT OF MUNICIPALITY AND DEVELOPMENT
 1-43 AGREEMENT REQUIRED. (a) The temporary directors may not hold an
 1-44 election under Section 7987.003, undertake an improvement project,
 1-45 impose taxes or fees, or issue bonds or otherwise borrow money until
 1-46 each municipality in whose corporate limits or extraterritorial
 1-47 jurisdiction the district is located has:

1-48 (1) consented by ordinance or resolution to the
 1-49 creation of the district and to the inclusion of land in the
 1-50 district; and

1-51 (2) entered into a development agreement under Section
 1-52 212.172, Local Government Code, with an owner or owners of a
 1-53 majority of the land described by Section 2 of the Act enacting this
 1-54 chapter.

1-55 (b) If a development agreement described by Subsection
 1-56 (a)(2) has not been executed before March 1, 2019:

1-57 (1) the temporary directors may not call a
 1-58 confirmation election under Section 7987.003;

1-59 (2) the district is dissolved; and

1-60 (3) this chapter expires March 1, 2020.

1-61 Sec. 7987.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
 1-62 The district is created to serve a public purpose and benefit.

1-63 (b) The district is created to accomplish the purposes of:

2-1 (1) a municipal utility district as provided by
2-2 general law and Section 59, Article XVI, Texas Constitution; and
2-3 (2) Section 52, Article III, Texas Constitution, that
2-4 relate to the construction, acquisition, improvement, operation,
2-5 or maintenance of macadamized, graveled, or paved roads, or
2-6 improvements, including storm drainage, in aid of those roads.

2-7 Sec. 7987.006. INITIAL DISTRICT TERRITORY. (a) The
2-8 district is initially composed of the territory described by
2-9 Section 2 of the Act enacting this chapter.

2-10 (b) The boundaries and field notes contained in Section 2 of
2-11 the Act enacting this chapter form a closure. A mistake made in the
2-12 field notes or in copying the field notes in the legislative process
2-13 does not affect the district's:

2-14 (1) organization, existence, or validity;

2-15 (2) right to issue any type of bond for the purposes
2-16 for which the district is created or to pay the principal of and
2-17 interest on a bond;

2-18 (3) right to impose a tax; or

2-19 (4) legality or operation.

2-20 Sec. 7987.007. AMENDMENT OF CHAPTER. The legislature may
2-21 not amend this chapter without the consent of the city given by
2-22 ordinance or resolution.

2-23 Sec. 7987.008. CITY CONSENT TO CREATION OF DISTRICT. The
2-24 city's consent to the creation of the district is not subject to the
2-25 limitations on the conditions or other restrictions the city may
2-26 place on its consent under Section 42.042, Local Government Code.

2-27 SUBCHAPTER B. BOARD OF DIRECTORS

2-28 Sec. 7987.051. GOVERNING BODY; TERMS. (a) The district is
2-29 governed by a board of five elected directors.

2-30 (b) Except as provided by Section 7987.052, directors serve
2-31 staggered four-year terms.

2-32 Sec. 7987.052. TEMPORARY DIRECTORS. (a) On or after
2-33 September 1, 2017, the owner or owners of a majority of the assessed
2-34 value of the real property in the district may submit a petition to
2-35 the commission requesting that the commission appoint as temporary
2-36 directors the five persons named in the petition. The commission
2-37 shall appoint as temporary directors the five persons named in the
2-38 petition.

2-39 (b) Temporary directors serve until the earlier of:

2-40 (1) the date permanent directors are elected under
2-41 Section 7987.003; or

2-42 (2) September 1, 2021.

2-43 (c) If permanent directors have not been elected under
2-44 Section 7987.003 and the terms of the temporary directors have
2-45 expired, successor temporary directors shall be appointed or
2-46 reappointed as provided by Subsection (d) to serve terms that
2-47 expire on the earlier of:

2-48 (1) the date permanent directors are elected under
2-49 Section 7987.003; or

2-50 (2) the fourth anniversary of the date of the
2-51 appointment or reappointment.

2-52 (d) If Subsection (c) applies, the owner or owners of a
2-53 majority of the assessed value of the real property in the district
2-54 may submit a petition to the commission requesting that the
2-55 commission appoint as successor temporary directors the five
2-56 persons named in the petition. The commission shall appoint as
2-57 successor temporary directors the five persons named in the
2-58 petition.

2-59 SUBCHAPTER C. POWERS AND DUTIES

2-60 Sec. 7987.101. GENERAL POWERS AND DUTIES. The district has
2-61 the powers and duties necessary to accomplish the purposes for
2-62 which the district is created.

2-63 Sec. 7987.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-64 DUTIES. The district has the powers and duties provided by the
2-65 general law of this state, including Chapters 49 and 54, Water Code,
2-66 applicable to municipal utility districts created under Section 59,
2-67 Article XVI, Texas Constitution.

2-68 Sec. 7987.103. AUTHORITY FOR ROAD PROJECTS. Under Section
2-69 52, Article III, Texas Constitution, the district may design,
2-70 acquire, construct, finance, issue bonds for, improve, operate,
2-71 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. 7987.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
3-4 project must meet all applicable construction standards, zoning and
3-5 subdivision requirements, and regulations of each municipality in
3-6 whose corporate limits or extraterritorial jurisdiction the road
3-7 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. 7987.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
3-17 OR RESOLUTION. 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 Sec. 7987.106. CITY REQUIREMENTS. An improvement project
3-23 in the district must comply with applicable requirements of the
3-24 city, including codes and ordinances, unless a requirement is
3-25 specifically waived or superseded by a development agreement
3-26 entered into under Section 7987.107 or another agreement with the
3-27 city applicable to property located in the district.

3-28 Sec. 7987.107. DEVELOPMENT AND OPERATING AGREEMENT
3-29 REQUIRED. After the district's board is organized, but before the
3-30 district may undertake any improvement project, impose taxes or
3-31 fees, or issue bonds or otherwise borrow money, the district must
3-32 become a party to and assume all applicable obligations,
3-33 requirements, and limitations in the development agreement entered
3-34 into between the city and the owner or owners of a majority of land
3-35 in the district, including any limitation imposed by the city.

3-36 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-37 Sec. 7987.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
3-38 district may issue, without an election, bonds and other
3-39 obligations secured by:

- 3-40 (1) revenue other than ad valorem taxes; or
3-41 (2) contract payments described by Section 7987.153.

3-42 (b) The district must hold an election in the manner
3-43 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-44 before the district may impose an ad valorem tax or issue bonds
3-45 payable from ad valorem taxes.

3-46 (c) The district may not issue bonds payable from ad valorem
3-47 taxes to finance a road project unless the issuance is approved by a
3-48 vote of a two-thirds majority of the district voters voting at an
3-49 election held for that purpose.

3-50 Sec. 7987.152. OPERATION AND MAINTENANCE TAX. (a) If
3-51 authorized at an election held under Section 7987.151, the district
3-52 may impose an operation and maintenance tax on taxable property in
3-53 the district in accordance with Section 49.107, Water Code.

3-54 (b) The board shall determine the tax rate. The rate may not
3-55 exceed the rate approved at the election.

3-56 Sec. 7987.153. CONTRACT TAXES. (a) In accordance with
3-57 Section 49.108, Water Code, the district may impose a tax other than
3-58 an operation and maintenance tax and use the revenue derived from
3-59 the tax to make payments under a contract after the provisions of
3-60 the contract have been approved by a majority of the district voters
3-61 voting at an election held for that purpose.

3-62 (b) A contract approved by the district voters may contain a
3-63 provision stating that the contract may be modified or amended by
3-64 the board without further voter approval.

3-65 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-66 Sec. 7987.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-67 OBLIGATIONS. The district may issue bonds or other obligations
3-68 payable wholly or partly from ad valorem taxes, impact fees,
3-69 revenue, contract payments, grants, or other district money, or any
3-70 combination of those sources, to pay for any authorized district
3-71 purpose.

4-1 Sec. 7987.202. TAXES FOR BONDS. At the time the district
4-2 issues bonds payable wholly or partly from ad valorem taxes, the
4-3 board shall provide for the annual imposition of a continuing
4-4 direct ad valorem tax, without limit as to rate or amount, while all
4-5 or part of the bonds are outstanding as required and in the manner
4-6 provided by Sections 54.601 and 54.602, Water Code.

4-7 Sec. 7987.203. BONDS FOR ROAD PROJECTS. At the time of
4-8 issuance, the total principal amount of bonds or other obligations
4-9 issued or incurred to finance road projects and payable from ad
4-10 valorem taxes may not exceed one-fourth of the assessed value of the
4-11 real property in the district.

4-12 SECTION 2. The New Fairview Municipal Utility District No.
4-13 1 initially includes all the territory contained in the following
4-14 area:

4-15 BEING A 634.507 ACRES TRACT OF LAND CALLED OUT OF THE
4-16 T. CARPENTER SURVEY, ABSTRACT NO. 172 AND THE W.
4-17 BRAMLETT SURVEY, ABSTRACT NO. 123, WISE COUNTY, TEXAS:
4-18 BEING ALL OF THOSE CERTAIN TRACTS OF LAND AS DESCRIBED
4-19 IN VOLUME 155, PAGE 580, & VOLUME 123, PAGE 290, DEED
4-20 RECORDS, WISE COUNTY, TEXAS, AND CONTAINING ALL OF
4-21 THOSE CERTAIN TRACTS OF LAND AS DESCRIBED IN CLERK FILE
4-22 NO. 201600522 & CLERK FILE NO. 201600523, OFFICIAL
4-23 RECORDS, WISE COUNTY, TEXAS: BEING FURTHER DESCRIBED
4-24 BY METES AND BOUNDS AS FOLLOWS:

4-25 BEGINNING AT A SET 1/2" IRON ROD WITH PLASTIC CAP IN THE
4-26 EAST LINE OF THE FORT WORTH & DENVER CITY RAILROAD
4-27 RIGHT OF WAY, BEING FIFTY FEET EAST OF & PERPENDICULAR
4-28 TO THE CENTER OF THE EXISTING RAILROAD LINE, AT THE
4-29 NORTHWEST CORNER OF THE THIRD TRACT (V. 123, P. 290),
4-30 SAME BEING THE SOUTHWEST CORNER OF A CALLED 30 ACRES
4-31 TRACT OF LAND DESCRIBED IN VOLUME 5, PAGE 151,
4-32 D.R.W.C.T., FOR THE NORTHWEST AND BEGINNING CORNER OF
4-33 THIS TRACT.

4-34 THENCE ALONG THE SOUTH & EAST LINES OF SAID 30 ACRES AS
4-35 FOLLOWS:

4-36 1) N 89°35'28" E 2484.06 FEET TO A 4" STEEL FENCE CORNER
4-37 POST, FOR AN ELL CORNER OF THIS TRACT.

4-38 2) N 01°02'34" W 533.58 FEET TO A FOUND 1" IRON PIPE AT
4-39 THE SOUTHEAST CORNER OF THAT CALLED 187.08 ACRES AS
4-40 DESCRIBED IN CLERK FILE NO. 201322567, O.R.W.C.T., FOR
4-41 A CORNER OF THIS TRACT.

4-42 3) THENCE N 00°16'14" E 349.12 FEET TO A FOUND 3/8" IRON
4-43 ROD AT THE SOUTHWEST CORNER OF THOSE CERTAIN TRACTS OF
4-44 LAND DESCRIBED IN VOLUME 1643, PAGE 644, O.R.W.C.T.,
4-45 FOR THE NORTHWEST CORNER OF THIS TRACT.

4-46 4) THENCE N 89°40'40" E AT 1203.8 FEET PASS A FOUND 1/2"
4-47 IRON ROD WITH PLASTIC CAP STAMPED "MANNING" AT THE
4-48 NORTHWEST CORNER OF THAT CALLED 34.00 ACRES TRACT OF
4-49 LAND DESCRIBED IN CLERK FILE NO. 201600522,
4-50 O.R.W.C.T., AT 2609.13 FEET PASS A FOUND 3/8" IRON ROD
4-51 IN THE FENCED WEST LINE OF PIONEER STREET, A GRAVEL
4-52 SURFACE, FOR A TOTAL DISTANCE OF 2632.66 FEET TO A
4-53 POINT, FOR THE NORTHEAST CORNER OF THIS TRACT.

4-54 5) THENCE S 00°25'18" E 3975.79 FEET WITHIN SAID
4-55 PIONEER STREET TO A POINT, AT THE NORTHEAST CORNER OF
4-56 THAT CALLED 3.673 ACRES CONVEYED TO BRAZOS ELECTRIC
4-57 POWER COOPERATIVE, INC. IN VOLUME 931, PAGE 495,
4-58 O.R.W.C.T., FOR A CORNER OF THIS TRACT.

4-59 THENCE ALONG THE NORTH, WEST, & SOUTH LINES OF SAID
4-60 BRAZOS ELECTRIC TRACT AS FOLLOWS:

4-61 6) S 89°39'22" W 400.00 FEET TO A FOUND CAPPED 3/4" IRON
4-62 ROD;

4-63 7) S 00°20'10" E 399.94 FEET TO A FOUND CAPPED 3/4" IRON
4-64 ROD;

4-65 8) N 89°39'51" E 400.01 FEET TO A POINT WITHIN SAID
4-66 PIONEER STREET, FOR A CORNER OF THIS TRACT.

4-67 9) THENCE S 00°20'12" E 358.93 FEET WITHIN SAID PIONEER
4-68 STREET TO A FOUND 3/8" IRON ROD IN THE NORTH LINE OF
4-69 THAT CALLED 80 ACRES TRACT OF LAND DESCRIBED IN VOLUME
4-70 1547, PAGE 588, O.R.W.C.T., FOR THE EASTERLY SOUTHEAST
4-71 CORNER OF THIS TRACT.

5-1 THENCE ALONG THE COMMON LINE OF SAID FIFTH TRACT (V.
5-2 123, P. 290) & SAID 80 ACRES TRACT AS FOLLOWS:
5-3 10) S 89°16'40" W 2595.51 FEET TO A FOUND 3/8" IRON ROD;
5-4 11) S 00°41'22" E 1800.91 FEET TO A POINT WITHIN PIONEER
5-5 STREET, AN ASPHALT SURFACE, AT THE SOUTHEAST CORNER OF
5-6 THAT CALLED 22.00 ACRES TRACT OF LAND DESCRIBED IN
5-7 CLERK FILE NO. 201600523, O.R.W.C.T., FOR THE
5-8 SOUTHERLY SOUTHEAST CORNER OF THIS TRACT.
5-9 12) THENCE N 89°57'00" W WITHIN SAID PIONEER STREET AT
5-10 772.70 FEET PASS A FOUND P.K. NAIL IN ASPHALT AT THE
5-11 SOUTHWEST CORNER OF SAID 22.00 ACRES, FOR A TOTAL
5-12 DISTANCE OF 2919.89 FEET TO A POINT IN THE SIMPLE CURVE
5-13 OF A SPIRAL CURVE, BEING THE EAST LINE OF SAID FORT
5-14 WORTH & DENVER CITY RAILROAD RIGHT OF WAY, FOR THE
5-15 SOUTHWEST CORNER OF THIS TRACT. WHENCE A FOUND PK NAIL
5-16 BEARS S 89°57'00" E 1.58 FEET.
5-17 THENCE FIFTY FEET EAST OF & PERPENDICULAR TO THE CENTER
5-18 OF THE EXISTING RAILROAD LINE AS FOLLOWS:
5-19 SC1) ALONG THE ARC OF A SIMPLE CURVE TO THE RIGHT,
5-20 HAVING A RADIUS OF 2873.39 FEET, AN ARC LENGTH OF
5-21 195.21 FEET, AND WHOSE CHORD BEARS N 01°50'09" W 195.17
5-22 FEET TO A SET 1/2" IRON ROD WITH PLASTIC CAP AT THE
5-23 CURVE TO SPIRAL, A CHORD BEARS N 02°35'55" E 376.69 FEET
5-24 TO THE SPIRAL TO TANGENT;
5-25 13) N 03°50'04" E 5090.43 FEET TO THE POINT OF
5-26 BEGINNING.
5-27 BEARINGS & DISTANCES DERIVED FROM G.P.S. OBSERVATIONS
5-28 PERFORMED BY CARTER SURVEYING & MAPPING, INC. AND
5-29 REFLECT SURFACE ADJUSTED, N.A.D. 1983, TEXAS STATE
5-30 PLANE COORDINATE SYSTEM, NORTH CENTRAL ZONE 4202,
5-31 USING TEXAS DEPARTMENT OF TRANSPORTATION SURFACE
5-32 ADJUSTMENT FACTOR OF 1.00012.
5-33 SECTION 3. (a) The legal notice of the intention to
5-34 introduce this Act, setting forth the general substance of this
5-35 Act, has been published as provided by law, and the notice and a
5-36 copy of this Act have been furnished to all persons, agencies,
5-37 officials, or entities to which they are required to be furnished
5-38 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-39 Government Code.
5-40 (b) The governor, one of the required recipients, has
5-41 submitted the notice and Act to the Texas Commission on
5-42 Environmental Quality.
5-43 (c) The Texas Commission on Environmental Quality has filed
5-44 its recommendations relating to this Act with the governor, the
5-45 lieutenant governor, and the speaker of the house of
5-46 representatives within the required time.
5-47 (d) All requirements of the constitution and laws of this
5-48 state and the rules and procedures of the legislature with respect
5-49 to the notice, introduction, and passage of this Act are fulfilled
5-50 and accomplished.
5-51 SECTION 4. (a) If this Act does not receive a two-thirds
5-52 vote of all the members elected to each house, Subchapter C, Chapter
5-53 7987, Special District Local Laws Code, as added by Section 1 of
5-54 this Act, is amended by adding Section 7987.108 to read as follows:
5-55 Sec. 7987.108. NO EMINENT DOMAIN POWER. The district may
5-56 not exercise the power of eminent domain.
5-57 (b) This section is not intended to be an expression of a
5-58 legislative interpretation of the requirements of Section 17(c),
5-59 Article I, Texas Constitution.
5-60 SECTION 5. This Act takes effect September 1, 2017.

5-61 * * * * *