

1-1 By: Kolkhorst S.B. No. 2257  
 1-2 (In the Senate - Filed March 28, 2017; April 3, 2017, read  
 1-3 first time and referred to Committee on Intergovernmental  
 1-4 Relations; April 26, 2017, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 0; April 26, 2017, 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 Huffines	X			
1-12 Menéndez			X	
1-13 Taylor of Collin	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. 554; 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 7998 to read as follows:

1-24 CHAPTER 7998. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 554

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7998.001. 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. 554.

1-33 Sec. 7998.002. 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. 7998.003. 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. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-41 temporary directors may not hold an election under Section 7998.003  
 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. 7998.005. 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. 7998.006. 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. 7998.051. 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 7998.052, directors serve  
2-11 staggered four-year terms.

2-12 Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary  
2-13 board consists of:

- 2-14 (1) Matthew O'Neill;
- 2-15 (2) Tayo Ilori;
- 2-16 (3) Kayvon Tabrizi;
- 2-17 (4) Joan L. Gill; and
- 2-18 (5) Justin Klump.

2-19 (b) Temporary directors serve until the earlier of:

2-20 (1) the date permanent directors are elected under  
2-21 Section 7998.003; 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 7998.003 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 7998.003; 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. 7998.101. 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. 7998.102. 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. 7998.103. 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. 7998.104. 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. 7998.105. 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 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-6 Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS.

3-7 (a) The district may issue, without an election, bonds and other  
3-8 obligations secured by:

- 3-9 (1) revenue other than ad valorem taxes; or
- 3-10 (2) contract payments described by Section 7998.153.

3-11 (b) The district must hold an election in the manner  
3-12 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-13 before the district may impose an ad valorem tax or issue bonds  
3-14 payable from ad valorem taxes.

3-15 (c) The district may not issue bonds payable from ad valorem  
3-16 taxes to finance a road project unless the issuance is approved by a  
3-17 vote of a two-thirds majority of the district voters voting at an  
3-18 election held for that purpose.

3-19 Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If  
3-20 authorized at an election held under Section 7998.151, the district  
3-21 may impose an operation and maintenance tax on taxable property in  
3-22 the district in accordance with Section 49.107, Water Code.

3-23 (b) The board shall determine the tax rate. The rate may not  
3-24 exceed the rate approved at the election.

3-25 Sec. 7998.153. CONTRACT TAXES. (a) In accordance with  
3-26 Section 49.108, Water Code, the district may impose a tax other than  
3-27 an operation and maintenance tax and use the revenue derived from  
3-28 the tax to make payments under a contract after the provisions of  
3-29 the contract have been approved by a majority of the district voters  
3-30 voting at an election held for that purpose.

3-31 (b) A contract approved by the district voters may contain a  
3-32 provision stating that the contract may be modified or amended by  
3-33 the board without further voter approval.

3-34 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-35 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3-36 OBLIGATIONS. The district may issue bonds or other obligations  
3-37 payable wholly or partly from ad valorem taxes, impact fees,  
3-38 revenue, contract payments, grants, or other district money, or any  
3-39 combination of those sources, to pay for any authorized district  
3-40 purpose.

3-41 Sec. 7998.202. TAXES FOR BONDS. At the time the district  
3-42 issues bonds payable wholly or partly from ad valorem taxes, the  
3-43 board shall provide for the annual imposition of a continuing  
3-44 direct ad valorem tax, without limit as to rate or amount, while all  
3-45 or part of the bonds are outstanding as required and in the manner  
3-46 provided by Sections 54.601 and 54.602, Water Code.

3-47 Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of  
3-48 issuance, the total principal amount of bonds or other obligations  
3-49 issued or incurred to finance road projects and payable from ad  
3-50 valorem taxes may not exceed one-fourth of the assessed value of the  
3-51 real property in the district.

3-52 SECTION 2. The Harris County Municipal Utility District  
3-53 No. 554 initially includes all the territory contained in the  
3-54 following area:

3-55 Being 95.955 acres of land located in the Harris County  
3-56 School Land Survey, Abstract 332, Harris County, Texas, more  
3-57 particularly being all of that certain called 51.210 acre tract  
3-58 described in the deed from Lenert Investments, LLC to AHTX 3LLC, ET  
3-59 AL., by an instrument of record in File No. RP-2016-67420, Official  
3-60 Public Records of Real Property of said Harris County, Texas, same  
3-61 being a portion of that certain called 44.745 acre tract described  
3-62 in the deed from Cunningham Interests H, LTD. to Marlon R. Davis, by  
3-63 an instrument of record File No. 20150025169, Official Public  
3-64 Records of Harris County, Texas, said 95.955 acres being more  
3-65 particularly described in two (2) parts by metes and bounds as  
3-66 follows:

3-67 TRACT ONE

3-68 BEING a 51.210 acre tract of land situated in the Harris  
3-69 County School Land Survey A-332, being part of Lot 11 and Lot 12,

4-1 Section 9, Harris County, Texas, all of a call 38.516 acre tract of  
 4-2 land described by deed dated August 21, 2014. to Colt David Haack  
 4-3 and wife, Annette D. Haack, recorded under Film Code  
 4-4 No. 060-65-2281 of the Official Public Records of Real Property of  
 4-5 Harris County, Texas and all of a call 12.694 acre tract of land  
 4-6 described by deed dated September 11, 2014, to Colt David Haack and  
 4-7 wife, Annette D. Haack, recorded under Film Code No. 061-08-1088 of  
 4-8 the Official Public Records of Real Property of Harris County,  
 4-9 Texas said 38.516 acres and 12.694 acres being part of a call 70.801  
 4-10 acre tract of land described by deed dated November 3, 1999, to A.  
 4-11 J. Foyt, Jr., recorded under Clerk's File No. U071611, Official  
 4-12 Public Records of Real Property of Harris County, Texas, said  
 4-13 51.210 acres being more particularly described by metes and bounds  
 4-14 as follows:

4-15 BEGINNING at a 3/4 inch iron pipe found for the northeast  
 4-16 corner of a call 30.213 acre tract of land described by deed dated  
 4-17 May 6, 1998, now or formerly, Benjamin F. Pacleb and wife, Janice T.  
 4-18 Pacleb, recorded under Clerk's File No. T055052, Official Public  
 4-19 Records of Real Property Harris County, Texas, the southeast corner  
 4-20 of the original call 70.801 acre tract of land same being the  
 4-21 southeast corner of the call 38.516 acre tract of land for the POINT  
 4-22 OF BEGINNING and southeast corner of the herein described tract;

4-23 THENCE North 89 degrees 29 minutes 55 seconds West, along the  
 4-24 north line of the call 30.213 acre tract of land, the north line of  
 4-25 an original call 76.16 acre tract of land described by deed dated  
 4-26 March 10, 1994, now or formerly, Randall L. Weaver and Dana M.  
 4-27 Weaver, recorded under Clerk's File No. P763344, Official Public  
 4-28 Records of Real Property Harris County, Texas, the north line of a  
 4-29 call 20.00 acre tract of land described by deed dated May 20, 1996,  
 4-30 now or formerly, Xavier A. Cantu et al., recorded under Clerk's File  
 4-31 No. R939784, Official Public Records of Real Property Harris  
 4-32 County, Texas, the north line of a call 7.00 acre tract of land  
 4-33 described by deed dated May 9, 1996, now or formerly, Jimmy Cantu.  
 4-34 And Ruth Cantu, recorded under Clerk's File No. R924594, Official  
 4-35 Public Records of Real Property Harris County, Texas, the north  
 4-36 line of a call 15.39 acre tract of land, more or less, described by  
 4-37 deed dated September 16, 1994, now or formerly, Xavier A. Cantu and  
 4-38 Ruby Cantu, recorded under Clerk's File No. R074840, Official  
 4-39 Public Records of Real Property Harris County, Texas, a portion of  
 4-40 the north line of a call 12.8855 acre tract of land designated as  
 4-41 Tract 1 by deed dated May 21, 1983, now or formerly, O. D. Hakemack,  
 4-42 recorded under Clerk's File No. H995356, Official Public Records of  
 4-43 Real Property Harris County, Texas, a distance of 2289.79 feet to  
 4-44 the lower southwest corner of the call 38.516 acre tract of land for  
 4-45 the lower southwest corner of the herein described tract, from  
 4-46 which a 1/2 inch rod found with a plastic identification cap bears  
 4-47 South 0.15 feet;

4-48 THENCE North 00 degrees 16 minutes 03 seconds East, a  
 4-49 distance of 315.37 feet to a 1/2 inch iron rod found with a plastic  
 4-50 identification cap stamped C & C Surveying for an apparent  
 4-51 northeast corner of a tract of land described by deed dated December  
 4-52 20, 1942, now or formerly, Oscar A. Huenefeld, recorded in Volume  
 4-53 1269, Page 349, Deed Records Harris County, Texas, for an interior  
 4-54 corner of the herein described tract;

4-55 THENCE North 89 degrees 25 minutes 37 seconds West, a  
 4-56 distance of 558.60 feet to a 1/2 inch iron rod found with a plastic  
 4-57 identification cap in the east line of Stokes Road, the upper  
 4-58 southwest corner of the call 70.801 acre tract of land for the upper  
 4-59 southwest corner of the herein described tract;

4-60 THENCE North 00 degrees 13 minutes 28 seconds East, along the  
 4-61 east line of Stokes Road, at 335.11 feet pass a 1/2 inch iron rod  
 4-62 found with a plastic identification cap for the northwest corner of  
 4-63 the call 38.516 acre tract of land, the southwest corner of the call  
 4-64 12.694 acre tract of land, continuing a total distance of 564.66  
 4-65 feet to a 1/2 inch iron rod found with a plastic identification cap  
 4-66 for the northwest corner of the call 12.694 acre tract of land for  
 4-67 the northwest corner of the herein described tract;

4-68 THENCE South 88 degrees 24 minutes 04 seconds East, leaving  
 4-69 the east line of Stokes Road, a distance of 528.09 feet to a 1/2 inch

5-1 iron rod found with a plastic identification cap at a fence corner  
 5-2 post for an angle point of the call 12.694 acre tract of land for an  
 5-3 angle point of the herein described tract;

5-4 THENCE North 87 degrees 52 minutes 42 seconds East, generally  
 5-5 along a fence line, a distance of 1684.07 feet to a 1/2 inch iron rod  
 5-6 found with a plastic identification cap at a fence corner post for  
 5-7 the northeast corner of the call 12.694 acre tract of land for the  
 5-8 upper northeast corner of the herein described tract;

5-9 THENCE South 00 degrees 16 minutes 22 seconds East, generally  
 5-10 along a fence line, a distance of 296.53 feet to a 1/2 inch iron rod  
 5-11 found with a plastic identification cap at a fence corner post in  
 5-12 the north line of the call 38.516 acre tract of land for the  
 5-13 southeast corner of the call 12.694 acre tract of land for an  
 5-14 interior corner of the herein described tract;

5-15 THENCE South 89 degrees 29 minutes 55 seconds East, generally  
 5-16 along a fence line, along a portion of the north line of the call  
 5-17 38.516 acre tract of land, at 628.76 feet pass a fence corner post,  
 5-18 continuing a total distance of 633.26 feet to a 1/2 inch iron rod  
 5-19 found with a plastic identification cap in a north-south fence line  
 5-20 for the northeast corner of the call 38.516 acre tract of land for  
 5-21 the lower northeast corner of the herein described tract;

5-22 THENCE South 00 degrees 04 minutes 35 seconds West (bearing  
 5-23 basis), along a portion of the east line of the call 38.516 acre  
 5-24 tract of land, a distance of 651.19 feet to the POINT OF BEGINNING,  
 5-25 containing within these metes and bounds a 51.210 acre tract of  
 5-26 land, more or less, as surveyed by Robert McCay, Registered  
 5-27 Professional Land Surveyor No. 4509, September 26, 2014.

5-28 TRACT TWO

5-29 All that certain tract or parcel containing 44.7455 acres of  
 5-30 land out of that certain 81.0465 acre tract of land situated in the  
 5-31 Harris County School Land Survey, A-332 in Harris County, Texas,  
 5-32 said 31.0465 acre tract being that same tract of land as described  
 5-33 in a deed filed for record under Harris County Clerk's File  
 5-34 No. 20130626732, said 44.7455 acre tract- of land being more  
 5-35 particularly described by metes and bounds as follows:

5-36 COMMENCING at a 5/8" iron rod with Tony P. Swonke RPLS 4767  
 5-37 cap (found) in the West right-of-way line of Binford Road, (60.00  
 5-38 feet in width), marking the Southeast corner of that certain call  
 5-39 29.971 acre tract of land as described in a deed filed for record  
 5-40 under Harris County Clerk's File No. 20100221984 and the Northeast  
 5-41 corner of that certain call 139.81 acre tract of land as described  
 5-42 in a deed filed for record under Harris County Clerk's file  
 5-43 No. 20130178495;

5-44 THENCE S 00°47'37" E, a distance of 1,623.78 feet along the  
 5-45 west right-of-way line of said Binford Road and the East line of  
 5-46 said 139.81 acre tract of land to a 5/8" iron rod with Tony P. Swonke  
 5-47 RPLS 4767 cap (found) marking the Southeast corner of said 139.81  
 5-48 acre tract of land, the Northeast corner of said 81.0465 acre tract  
 5-49 of land and the Northeast corner and POINT OF BEGINNING of the  
 5-50 herein described 44.7455 acre tract of land;

5-51 THENCE S 02°48'43" E, a distance of 1,188.19 feet along the  
 5-52 West right-of-way line of said Binford Road and the East line of  
 5-53 said 81.0465 acre tract of land to a 5/8" iron rod with EIC cap  
 5-54 (found) marking the northeast corner of a 43.9932 acre remainder of  
 5-55 that certain call 522.223 acre tract of land as described in a deed  
 5-56 filed for record under Harris County Clerk's File No. 20080314221,  
 5-57 and the Easterly-Southeast corner of said 81.0465 acre tract of  
 5-58 land and the Southeast corner of the herein described 44.7455 acre  
 5-59 tract of land;

5-60 THENCE S 86°55'14" W, a distance of 939.31 feet along the  
 5-61 common line of said 49.9932 acre remainder tract and said 81.0465  
 5-62 acre tract of land to a 5/8" iron rod with EIC cap (found) for angle  
 5-63 point;

5-64 THENCE S 89°41-55" W, a distance of 653.87 feet along the  
 5-65 common line of said 49.9932 acre remainder tract and said 81.0465  
 5-66 acre tract of land to a 5/8" iron rod with EIC cap (found) marking  
 5-67 the Northwest corner of said 49.9932 acre remainder tract, an  
 5-68 interior corner of said 81.0465 acre tract of land and the Southwest  
 5-69 corner of the herein described 44.7455 acre tract of land;

