

1-1 By: Creighton S.B. No. 2267
1-2 (In the Senate - Filed April 6, 2017; April 10, 2017, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 26, 2017, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 6, Nays 0;
1-6 April 26, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Lucio	X		
1-10	Bettencourt	X		
1-11	Campbell	X		
1-12	Garcia	X		
1-13	Huffines	X		
1-14	Menéndez		X	
1-15	Taylor of Collin	X		

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 2267 By: Huffines

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

1-19 relating to the creation of the Harris County Municipal Utility
1-20 District No. 555; 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 7999 to read as follows:

1-26 CHAPTER 7999. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 555

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7999.001. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "City" means the City of Baytown.

1-31 (3) "Commission" means the Texas Commission on
1-32 Environmental Quality.

1-33 (4) "Director" means a board member.

1-34 (5) "District" means the Harris County Municipal
1-35 Utility District No. 555.

1-36 Sec. 7999.002. NATURE OF DISTRICT. The district is a
1-37 municipal utility district created under Section 59, Article XVI,
1-38 Texas Constitution.

1-39 Sec. 7999.003. CONFIRMATION AND DIRECTORS' ELECTION
1-40 REQUIRED. The temporary directors shall hold an election to
1-41 confirm the creation of the district and to elect five permanent
1-42 directors as provided by Section 49.102, Water Code.

1-43 Sec. 7999.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-44 temporary directors may not hold an election under Section 7999.003
1-45 until each municipality in whose corporate limits or
1-46 extraterritorial jurisdiction the district is located has:

1-47 (1) consented by ordinance or resolution to the
1-48 creation of the district and to the inclusion of land in the
1-49 district; and

1-50 (2) entered into a development agreement with the
1-51 owner or owners of the real property within the district regarding
1-52 the municipality's requirements for developing or improving the
1-53 land.

1-54 Sec. 7999.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-55 (a) The district is created to serve a public purpose and benefit.

1-56 (b) The district is created to accomplish the purposes of:

1-57 (1) a municipal utility district as provided by
1-58 general law and Section 59, Article XVI, Texas Constitution; and

1-59 (2) Section 52, Article III, Texas Constitution, that
1-60 relate to the construction, acquisition, improvement, operation,

or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7999.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or
(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS
Sec. 7999.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7999.052, directors serve staggered four-year terms.

Sec. 7999.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2017, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 7999.003; or

(2) September 1, 2021.
(c) If permanent directors have not been elected under Section 7999.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 7999.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.

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

SUBCHAPTER C. POWERS AND DUTIES
Sec. 7999.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7999.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7999.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7999.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road

project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

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

Sec. 7999.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7999.151. ELECTIONS REGARDING TAXES OR BONDS.

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

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section 7999.153.

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

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

Sec. 7999.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7999.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 7999.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7999.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7999.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7999.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SUBCHAPTER F. ANNEXATION BY CITY

Sec. 7999.251. EFFECT OF ANNEXATION BY CITY.

(a) Notwithstanding any other law, if all of the territory of the district is annexed by the city into the corporate limits of the city before the date of the election held to confirm the creation of the district and the district is confirmed at that election, the district may not be dissolved and continues in existence.

(b) Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the city and the district that provides for the allocation of the taxes or revenues of the district

and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad valorem tax on that property.

SECTION 2. The Harris County Municipal Utility District No. 555 initially includes all the territory contained in the following area:

Being a tract of land containing 119.398 Acres of land situated in the George Ellis League, Abstract No. 21, Harris County, Texas and being out a called 214.397 described in Vol. 7038 Page 45 Harris County Deed of Records (H.C.D.R.) and all of a called 119.7776 acre tract conveyed to Anthony Lee Polumbo and Wife Carolyn Adams-Polumbo by deed recorded under Harris County Clerks File (H.C.C.F.) number V074141. Said 119.398 acre tract being more particularly described as following (Bearings are oriented to the bearing base reflected in said deed recorded under H.C.C.F. Number V074141):

COMMENCING at a found 1/2 inch iron rod found in the southerly right of way (R.O.W.) line at F.M. 1942 marking the northeast corner of said 214.397 acre tract and the northeast corner of a called 6.40 acre tract conveyed to Joaquin Garcia by deed recorded under H.C.C.F. Number T898933;

THENCE S 80°25'00" W along the south R.O.W. line of said F.M. 1942, a distance of 109.00 feet to a 5/8 inch iron rod found marking the northeast corner of said 6.40 acre tract the POINT OF BEGINNING and the northeast corner of the herein described tract;

THENCE S 09°29'00" E departing said F.M. 1942 and along the west line of said 6.40 acre tract a distance of 2557.34 feet to a 5/8 inch iron rod set in the north line of that certain tract conveyed to Malcom Brown by deed recording in Vol. 1708, Pg. 203, H.C.D.R. and marking the southeast corner of the herein described tract;

THENCE S 80°47'00" W along the north line of said Brown tract, the north line of a called 14.04 acre tract conveyed to Word of Faith Fellowship Church by deed recorded under H.C.C.F. Number U757159, a distance of 2845.90 feet to a found 1/2 inch iron rod in the southeasterly R.O.W. line of a called 18.668 acre Coastal Industrial Water Authority tract described in H.C.C.F. Number D282570 said point marking the southwest corner of the herein described tract;

THENCE N 28°34'52" E along the west R.O.W. line of said 18.668 acre tract a distance of 1483.38 feet to a set 5/8" iron rod marking a point for curvature to the left;

THENCE, northeasterly along the easterly R.O.W. line of said Coast Industrial Water Authority and said curve to the left, having a radius of 1000 feet, an arc length of 609.91 feet, a central angle of 34°56'43" and a chord bearing a distance of N 11°06'31", 600.50 feet to a set 5/8" iron rod marking a point of tangency;

THENCE N 06°21'51" W continuing along the east R.O.W. line of said Coastal Industrial Water Authority a distance of 732.40 feet to an angle point from which a found 5/8 inch iron rod bears N 87°13' E a distance of 1.41 feet;

THENCE N 21°35'21" E continuing along the east R.O.W. line of said Coastal Industrial Water Authority a distance of 124.90 feet to a point in the south R.O.W. of said F.M. 1942, from which a found 5/8 inch iron rod bears S 77°13' E, 1.55 feet;

THENCE N 83°38'16" E, departing said Coastal Industrial Water Authority and along said south R.O.W. line of F.M. 1942, a distance of 399.37 feet to a point for curvature to the left, from which a found 5/8 inch iron rod bears N 31°58' W, 2.22 Feet;

THENCE in a northeasterly direction with said curve to the left having a central angle of 03°13'16", a radius of 2914.93 feet, an arc length of 163.87 feet, a chord bearing of N 82°01'38" E and a chord distance of 163.85 feet to a point of tangency from which a found 5/8 inch iron rod bears N 24°23' W, 1.87 feet;

THENCE N 80°25'00" E, continuing along the south R.O.W. of F.M. 1942, a distance of 1053.21 feet to the POINT OF BEGINNING and containing 119.398 acres of land.

SAVE AND EXCEPT the following described portion of said

5-1 119.398 acre tract:

5-2 (SAVE AND EXCEPT TRACT):

5-3 Being a tract of land containing 0.0729 acres (3,175 square
5-4 feet) situated in the George Ellis League, A-21 in Harris County,
5-5 Texas, and also being out of a 119.7776-acre tract from Two Fourteen
5-6 LTD., to Anthony Lee Polumbo and wife, Carolyn Adams-Polumbo by
5-7 deed dated May 24, 2001 as recorded under County Clerk's File No.
5-8 V074141, Film Code No. 540-37-0998 of the Official Public Records
5-9 of Harris County, Texas. Said 0.0729-acre tract being more
5-10 particularly described by metes and bounds as follows:

5-11 Note: The bearings referenced herein are based on the
5-12 119.7776-acre tract as recorded under County Clerk's File No.
5-13 V074141, Film Code No. 540-37-0998 of the Official Public Records
5-14 of Real Property of Harris County, Texas.

5-15 BEGINNING at a found 1/2-inch iron rod located at the
5-16 intersection of the south right-of-way line of Barbers Hill Road
5-17 (F.M. 1942) (100 feet wide) as conveyed unto the State of Texas by
5-18 the following deeds: Volume 4101, Page 586 of the Deed Records of
5-19 Harris County, Texas, County Clerk's File No. B328808, Film Code
5-20 No. 051-19-0916, File No. B357094, Film Code No. 061-11-0735 of the
5-21 Official Public Records of Real Property of Harris County, Texas,
5-22 and the east Canal line of an 18.67-acre tract as conveyed unto
5-23 Coastal Industrial Water Authority by deed recorded under County
5-24 Clerk's File No. D282570, Film Code No. 126-26-1855 of the Official
5-25 Public Records of Real Property of Harris County, Texas, for the
5-26 northwest corner of said 119.7776-acre tract and for northwest
5-27 corner of said tract herein described;

5-28 THENCE North 83°19'01" East with the south right-of-way line
5-29 of said Barbers Hill Road and the north line of said 119.7776-acre
5-30 tract, a distance of 50.00 feet to a set 5/8-inch iron rod with cap
5-31 stamped "Cobb, Fendley & Associates" for the northeast corner of
5-32 said tract herein described;

5-33 THENCE South 06°40'59" East, a distance of 50.00 feet to a set
5-34 5/8-inch iron rod with cap stamp "Cobb, Fendley & Associates" for
5-35 the southeast corner of said tract herein described;

5-36 THENCE South 83°19'01" West, a distance of 76.99 feet to a set
5-37 5/8-inch iron rod with cap stamped "Cobb, Fendley & Associates"
5-38 located in the east line of said 18.67-acre tract and the west line
5-39 of said 119.7776-acre tract for the southwest corner of said tract
5-40 herein described;

5-41 THENCE North 21°40'31" East with the east line of said
5-42 18.67-acre tract and the west line of said 119.7776-acre tract, a
5-43 distance of 56.82 feet to the POINT OF BEGINNING and containing
5-44 0.0729 acres (3,175 square feet) of land, more or less.

5-45 SECTION 3. (a) The legal notice of the intention to
5-46 introduce this Act, setting forth the general substance of this
5-47 Act, has been published as provided by law, and the notice and a
5-48 copy of this Act have been furnished to all persons, agencies,
5-49 officials, or entities to which they are required to be furnished
5-50 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-51 Government Code.

5-52 (b) The governor, one of the required recipients, has
5-53 submitted the notice and Act to the Texas Commission on
5-54 Environmental Quality.

5-55 (c) The Texas Commission on Environmental Quality has filed
5-56 its recommendations relating to this Act with the governor, the
5-57 lieutenant governor, and the speaker of the house of
5-58 representatives within the required time.

5-59 (d) All requirements of the constitution and laws of this
5-60 state and the rules and procedures of the legislature with respect
5-61 to the notice, introduction, and passage of this Act are fulfilled
5-62 and accomplished.

5-63 SECTION 4. (a) If this Act does not receive a two-thirds
5-64 vote of all the members elected to each house, Subchapter C, Chapter
5-65 7999, Special District Local Laws Code, as added by Section 1 of
5-66 this Act, is amended by adding Section 7999.106 to read as follows:

5-67 Sec. 7999.106. NO EMINENT DOMAIN POWER. The district may
5-68 not exercise the power of eminent domain.

5-69 (b) This section is not intended to be an expression of a

6-1 legislative interpretation of the requirements of Section 17(c),
6-2 Article I, Texas Constitution.
6-3 SECTION 5. This Act takes effect September 1, 2017.

6-4 * * * * *