

1-1 By: Oliverson (Senate Sponsor - Kolkhorst) H.B. No. 4659
 1-2 (In the Senate - Received from the House April 29, 2019;
 1-3 April 29, 2019, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 15, 2019, reported favorably by
 1-5 the following vote: Yeas 7, Nays 0; May 15, 2019, 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 board of directors and powers and duties of the
 1-18 Harris County Municipal Utility District No. 436; providing
 1-19 authority to issue bonds; providing authority to impose fees and
 1-20 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 8088 to read as follows:

1-24 CHAPTER 8088. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 436

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8088.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "District" means the Harris County Municipal
 1-29 Utility District No. 436.

1-30 Sec. 8088.0102. NATURE AND PURPOSES OF DISTRICT. (a) The
 1-31 district is a municipal utility district created under Section 59,
 1-32 Article XVI, Texas Constitution.

1-33 (b) The district is created to accomplish the purposes of:

1-34 (1) a municipal utility district as provided by
 1-35 general law and Section 59, Article XVI, Texas Constitution; and

1-36 (2) Section 52, Article III, Texas Constitution, that
 1-37 relate to the construction, acquisition, improvement, operation,
 1-38 or maintenance of macadamized, graveled, or paved roads, or
 1-39 improvements, including storm drainage, in aid of those roads.

1-40 SUBCHAPTER B. POWERS AND DUTIES

1-41 Sec. 8088.0201. GENERAL POWERS AND DUTIES. The district
 1-42 has the powers and duties necessary to accomplish the purposes for
 1-43 which the district is created.

1-44 Sec. 8088.0202. MUNICIPAL UTILITY DISTRICT POWERS AND
 1-45 DUTIES. The district has the powers and duties provided by the
 1-46 general law of this state, including Chapters 49 and 54, Water Code,
 1-47 applicable to municipal utility districts created under Section 59,
 1-48 Article XVI, Texas Constitution.

1-49 Sec. 8088.0203. AUTHORITY FOR ROAD PROJECTS. Under Section
 1-50 52, Article III, Texas Constitution, the district may design,
 1-51 acquire, construct, finance, issue bonds for, improve, operate,
 1-52 maintain, and convey to this state, a county, or a municipality for
 1-53 operation and maintenance macadamized, graveled, or paved roads, or
 1-54 improvements, including storm drainage, in aid of those roads.

1-55 Sec. 8088.0204. ROAD STANDARDS AND REQUIREMENTS. (a) A
 1-56 road project must meet all applicable construction standards,
 1-57 zoning and subdivision requirements, and regulations of each
 1-58 municipality in whose corporate limits or extraterritorial
 1-59 jurisdiction the road project is located.

1-60 (b) If a road project is not located in the corporate limits
 1-61 or extraterritorial jurisdiction of a municipality, the road

2-1 project must meet all applicable construction standards,
 2-2 subdivision requirements, and regulations of each county in which
 2-3 the road project is located.

2-4 (c) If the state will maintain and operate the road, the
 2-5 Texas Transportation Commission must approve the plans and
 2-6 specifications of the road project.

2-7 Sec. 8088.0205. DIVISION OF DISTRICT. (a) The district may
 2-8 be divided into two or more new districts only if the district:

2-9 (1) has never issued any bonds; and

2-10 (2) is not imposing ad valorem taxes.

2-11 (b) This chapter applies to any new district created by the
 2-12 division of the district, and a new district has all the powers and
 2-13 duties of the district.

2-14 (c) Any new district created by the division of the district
 2-15 may not, at the time the new district is created, contain any land
 2-16 outside the territory of the original district as it existed on
 2-17 January 1, 2019.

2-18 (d) The board, on its own motion or on receipt of a petition
 2-19 signed by the owner or owners of a majority of the assessed value of
 2-20 the real property in the district, may adopt an order dividing the
 2-21 district.

2-22 (e) The board may adopt an order dividing the district
 2-23 before or after the date the board holds an election under Section
 2-24 49.102, Water Code, to confirm the district's creation.

2-25 (f) An order dividing the district must:

2-26 (1) name each new district;

2-27 (2) include the metes and bounds description of the
 2-28 territory of each new district;

2-29 (3) appoint temporary directors for each new district;

2-30 and

2-31 (4) provide for the division of assets and liabilities
 2-32 between the new districts.

2-33 (g) On or before the 30th day after the date of adoption of
 2-34 an order dividing the district, the district shall file the order
 2-35 with the commission and record the order in the real property
 2-36 records of each county in which the district is located.

2-37 (h) Any new district created by the division of the district
 2-38 shall hold a confirmation and directors' election as required by
 2-39 Section 49.102, Water Code.

2-40 (i) Municipal consent to the creation of the district and to
 2-41 the inclusion of land in the district granted under Section 54.016,
 2-42 Water Code, acts as municipal consent to the creation of any new
 2-43 district created by the division of the district and to the
 2-44 inclusion of land in the new district.

2-45 (j) Any new district created by the division of the district
 2-46 must hold an election as required by this chapter to obtain voter
 2-47 approval before the district may impose a maintenance tax or issue
 2-48 bonds payable wholly or partly from ad valorem taxes.

2-49 (k) If the creation of the new district is confirmed, the
 2-50 new district shall provide the election date and results to the
 2-51 commission.

2-52 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

2-53 Sec. 8088.0301. AUTHORITY TO ISSUE BONDS AND OTHER
 2-54 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or
 2-55 other obligations payable wholly or partly from ad valorem taxes,
 2-56 impact fees, revenue, contract payments, grants, or other district
 2-57 money, or any combination of those sources, to pay for a road
 2-58 project authorized by Section 8088.0203.

2-59 (b) The district may not issue bonds payable from ad valorem
 2-60 taxes to finance a road project unless the issuance is approved by a
 2-61 vote of a two-thirds majority of the district voters voting at an
 2-62 election held for that purpose.

2-63 (c) At the time of issuance, the total principal amount of
 2-64 bonds or other obligations issued or incurred to finance road
 2-65 projects and payable from ad valorem taxes may not exceed
 2-66 one-fourth of the assessed value of the real property in the
 2-67 district.

2-68 Sec. 8088.0302. TAXES FOR BONDS. At the time the district
 2-69 issues bonds payable wholly or partly from ad valorem taxes, the

3-1 board shall provide for the annual imposition of a continuing
3-2 direct ad valorem tax, without limit as to rate or amount, while all
3-3 or part of the bonds are outstanding as required and in the manner
3-4 provided by Sections 54.601 and 54.602, Water Code.

3-5 SECTION 2. The Harris County Municipal Utility District No.
3-6 436 retains all the rights, powers, privileges, authority, duties,
3-7 and functions that it had before the effective date of this Act.

3-8 SECTION 3. (a) The legislature validates and confirms all
3-9 governmental acts and proceedings of the Harris County Municipal
3-10 Utility District No. 436 that were taken before the effective date
3-11 of this Act.

3-12 (b) This section does not apply to any matter that on the
3-13 effective date of this Act:

3-14 (1) is involved in litigation if the litigation
3-15 ultimately results in the matter being held invalid by a final court
3-16 judgment; or

3-17 (2) has been held invalid by a final court judgment.

3-18 SECTION 4. (a) The legal notice of the intention to
3-19 introduce this Act, setting forth the general substance of this
3-20 Act, has been published as provided by law, and the notice and a
3-21 copy of this Act have been furnished to all persons, agencies,
3-22 officials, or entities to which they are required to be furnished
3-23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-24 Government Code.

3-25 (b) The governor, one of the required recipients, has
3-26 submitted the notice and Act to the Texas Commission on
3-27 Environmental Quality.

3-28 (c) The Texas Commission on Environmental Quality has filed
3-29 its recommendations relating to this Act with the governor, the
3-30 lieutenant governor, and the speaker of the house of
3-31 representatives within the required time.

3-32 (d) All requirements of the constitution and laws of this
3-33 state and the rules and procedures of the legislature with respect
3-34 to the notice, introduction, and passage of this Act are fulfilled
3-35 and accomplished.

3-36 SECTION 5. This Act takes effect immediately if it receives
3-37 a vote of two-thirds of all the members elected to each house, as
3-38 provided by Section 39, Article III, Texas Constitution. If this
3-39 Act does not receive the vote necessary for immediate effect, this
3-40 Act takes effect September 1, 2019.

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