

1-1 By: Bailes (Senate Sponsor - Creighton) H.B. No. 4673
 1-2 (In the Senate - Received from the House April 26, 2019;
 1-3 April 29, 2019, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 9, 2019, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 7, Nays
 1-6 0; May 9, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
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. 4673 By: Menéndez

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

1-19 relating to the creation of the Chambers County Municipal Utility
 1-20 District No. 3; 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 8042 to read as follows:

1-26 CHAPTER 8042. CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8042.0101. 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 Chambers County Municipal
 1-34 Utility District No. 3.

1-35 Sec. 8042.0102. 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. 8042.0103. CONFIRMATION AND DIRECTOR 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. 8042.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-43 temporary directors may not hold an election under Section
 1-44 8042.0103 until each municipality in whose corporate limits or
 1-45 extraterritorial jurisdiction the district is located has
 1-46 consented by ordinance or resolution to the creation of the
 1-47 district and to the inclusion of land in the district.

1-48 Sec. 8042.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-49 (a) The district is created to serve a public purpose and benefit.

1-50 (b) The district is created to accomplish the purposes of:

1-51 (1) a municipal utility district as provided by
 1-52 general law and Section 59, Article XVI, Texas Constitution; and

1-53 (2) Section 52, Article III, Texas Constitution, that
 1-54 relate to the construction, acquisition, improvement, operation,
 1-55 or maintenance of macadamized, graveled, or paved roads, or
 1-56 improvements, including storm drainage, in aid of those roads.

1-57 Sec. 8042.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-58 district is initially composed of the territory described by
 1-59 Section 2 of the Act enacting this chapter.

1-60 (b) The boundaries and field notes contained in Section 2 of

2-1 the Act enacting this chapter form a closure. A mistake made in the
2-2 field notes or in copying the field notes in the legislative process
2-3 does not affect the district's:

- 2-4 (1) organization, existence, or validity;
- 2-5 (2) right to issue any type of bond for the purposes
2-6 for which the district is created or to pay the principal of and
2-7 interest on a bond;
- 2-8 (3) right to impose a tax; or
- 2-9 (4) legality or operation.

2-10 SUBCHAPTER B. BOARD OF DIRECTORS

2-11 Sec. 8042.0201. GOVERNING BODY; TERMS. (a) The district is
2-12 governed by a board of five elected directors.

2-13 (b) Except as provided by Section 8042.0202, directors
2-14 serve staggered four-year terms.

2-15 Sec. 8042.0202. TEMPORARY DIRECTORS. (a) On or after the
2-16 effective date of the Act enacting this chapter, the owner or owners
2-17 of a majority of the assessed value of the real property in the
2-18 district may submit a petition to the commission requesting that
2-19 the commission appoint as temporary directors the five persons
2-20 named in the petition. The commission shall appoint as temporary
2-21 directors the five persons named in the petition.

2-22 (b) Temporary directors serve until the earlier of:

2-23 (1) the date permanent directors are elected under
2-24 Section 8042.0103; or

2-25 (2) the fourth anniversary of the effective date of
2-26 the Act enacting this chapter.

2-27 (c) If permanent directors have not been elected under
2-28 Section 8042.0103 and the terms of the temporary directors have
2-29 expired, successor temporary directors shall be appointed or
2-30 reappointed as provided by Subsection (d) to serve terms that
2-31 expire on the earlier of:

2-32 (1) the date permanent directors are elected under
2-33 Section 8042.0103; or

2-34 (2) the fourth anniversary of the date of the
2-35 appointment or reappointment.

2-36 (d) If Subsection (c) applies, the owner or owners of a
2-37 majority of the assessed value of the real property in the district
2-38 may submit a petition to the commission requesting that the
2-39 commission appoint as successor temporary directors the five
2-40 persons named in the petition. The commission shall appoint as
2-41 successor temporary directors the five persons named in the
2-42 petition.

2-43 SUBCHAPTER C. POWERS AND DUTIES

2-44 Sec. 8042.0301. GENERAL POWERS AND DUTIES. The district
2-45 has the powers and duties necessary to accomplish the purposes for
2-46 which the district is created.

2-47 Sec. 8042.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
2-48 DUTIES. The district has the powers and duties provided by the
2-49 general law of this state, including Chapters 49 and 54, Water Code,
2-50 applicable to municipal utility districts created under Section 59,
2-51 Article XVI, Texas Constitution.

2-52 Sec. 8042.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
2-53 52, Article III, Texas Constitution, the district may design,
2-54 acquire, construct, finance, issue bonds for, improve, operate,
2-55 maintain, and convey to this state, a county, or a municipality for
2-56 operation and maintenance macadamized, graveled, or paved roads, or
2-57 improvements, including storm drainage, in aid of those roads.

2-58 Sec. 8042.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-59 road project must meet all applicable construction standards,
2-60 zoning and subdivision requirements, and regulations of each
2-61 municipality in whose corporate limits or extraterritorial
2-62 jurisdiction the road project is located.

2-63 (b) If a road project is not located in the corporate limits
2-64 or extraterritorial jurisdiction of a municipality, the road
2-65 project must meet all applicable construction standards,
2-66 subdivision requirements, and regulations of each county in which
2-67 the road project is located.

2-68 (c) If the state will maintain and operate the road, the
2-69 Texas Transportation Commission must approve the plans and

3-1 specifications of the road project.
3-2 Sec. 8042.0305. COMPLIANCE WITH MUNICIPAL CONSENT
3-3 ORDINANCE OR RESOLUTION. The district shall comply with all
3-4 applicable requirements of any ordinance or resolution that is
3-5 adopted under Section 54.016 or 54.0165, Water Code, and that
3-6 consents to the creation of the district or to the inclusion of land
3-7 in the district.

3-8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-9 Sec. 8042.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-10 The district may issue, without an election, bonds and other
3-11 obligations secured by:

3-12 (1) revenue other than ad valorem taxes; or
3-13 (2) contract payments described by Section 8042.0403.

3-14 (b) The district must hold an election in the manner
3-15 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-16 before the district may impose an ad valorem tax or issue bonds
3-17 payable from ad valorem taxes.

3-18 (c) The district may not issue bonds payable from ad valorem
3-19 taxes to finance a road project unless the issuance is approved by a
3-20 vote of a two-thirds majority of the district voters voting at an
3-21 election held for that purpose.

3-22 Sec. 8042.0402. OPERATION AND MAINTENANCE TAX. (a) If
3-23 authorized at an election held under Section 8042.0401, the
3-24 district may impose an operation and maintenance tax on taxable
3-25 property in the district in accordance with Section 49.107, Water
3-26 Code.

3-27 (b) The board shall determine the tax rate. The rate may not
3-28 exceed the rate approved at the election.

3-29 Sec. 8042.0403. CONTRACT TAXES. (a) In accordance with
3-30 Section 49.108, Water Code, the district may impose a tax other than
3-31 an operation and maintenance tax and use the revenue derived from
3-32 the tax to make payments under a contract after the provisions of
3-33 the contract have been approved by a majority of the district voters
3-34 voting at an election held for that purpose.

3-35 (b) A contract approved by the district voters may contain a
3-36 provision stating that the contract may be modified or amended by
3-37 the board without further voter approval.

3-38 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-39 Sec. 8042.0501. AUTHORITY TO ISSUE BONDS AND OTHER
3-40 OBLIGATIONS. The district may issue bonds or other obligations
3-41 payable wholly or partly from ad valorem taxes, impact fees,
3-42 revenue, contract payments, grants, or other district money, or any
3-43 combination of those sources, to pay for any authorized district
3-44 purpose.

3-45 Sec. 8042.0502. TAXES FOR BONDS. At the time the district
3-46 issues bonds payable wholly or partly from ad valorem taxes, the
3-47 board shall provide for the annual imposition of a continuing
3-48 direct ad valorem tax, without limit as to rate or amount, while all
3-49 or part of the bonds are outstanding as required and in the manner
3-50 provided by Sections 54.601 and 54.602, Water Code.

3-51 Sec. 8042.0503. BONDS FOR ROAD PROJECTS. At the time of
3-52 issuance, the total principal amount of bonds or other obligations
3-53 issued or incurred to finance road projects and payable from ad
3-54 valorem taxes may not exceed one-fourth of the assessed value of the
3-55 real property in the district.

3-56 SECTION 2. The Chambers County Municipal Utility District
3-57 No. 3 initially includes all the territory contained in the
3-58 following area:

3-59 Description of a 187.1135 acre tract of land situated in the
3-60 Chambers County School Land Survey, Abstract 321, Chambers County,
3-61 Texas and being all of that certain 5.7270 acres described in Deed
3-62 for undivided interest from Gregory Angel, Trustee, to Montgomery
3-63 Jett Angel Trust dated October 30, 2018 and recorded under County
3-64 Clerk's File #2018-137473 of the Official Public Records of
3-65 Chambers County, Texas; all of the residue of that certain called
3-66 154.072 acres (Tract 3) conveyed by Chambers Grand Parkway
3-67 Development, Ltd. to Park Block, Ltd. by Correction Warranty Deed
3-68 dated November 16, 2009 and recorded in Volume 1161 at Page 209 of
3-69 the Official Public Records of Chambers County, Texas; all of that

4-1 certain called 41.7490 acres conveyed by Park Block, Ltd. to The
 4-2 Noor Foundation by Correction Deed dated April 30, 2018 and
 4-3 recorded under County Clerk's File #2018-131695 of the Official
 4-4 Public Records of Chambers County, Texas; and all of that certain
 4-5 27.497 acres conveyed by Mrs. Annie Pauline Miller to Harry W.
 4-6 Freeman, Trustee, by Deed dated February 1, 1956 and recorded under
 4-7 Volume 173 at Page 303 of the Deed Records of Chambers County, Texas
 4-8 (now carried in the name of Family Interests, Ltd. on tax roll).
 4-9 This 187.1135 acres is more particularly described by the following
 4-10 metes and bounds, to-wit:

4-11 Beginning at a point in the South right-of-way line of
 4-12 Interstate Highway No. 10 (300 feet wide right-of-way) for the
 4-13 Northwest corner of that certain 40.323 acres described in Lis
 4-14 Pendens dated June 6, 2005, styled State of Texas vs. Family
 4-15 Interests, Ltd., recorded in Volume 781 at Page 367 of the Official
 4-16 Public Records of Chambers County, Texas and the Northeast corner
 4-17 of said 5.7270 acres. Said point being at the intersection of the
 4-18 South right-of-way line of said Interstate Highway No. 10 with the
 4-19 West right-of-way line of State Highway 99 (a/k/a East Grand
 4-20 Parkway South) and being the Northernmost Northeast corner and
 4-21 POINT OF BEGINNING of this tract. Said BEGINNING POINT has a State
 4-22 Plane Coordinate Value of Y=13,870,267.98 and X=3,278,546.95.

4-23 Thence: South $02^{\circ}31'30''$ East along the Northernmost East line
 4-24 of this tract, the East line of said 5.7270 acres, the Northernmost
 4-25 West line of said 40.323 acres and the West right-of-way line of
 4-26 said State Highway 99 for a distance of 50.17 feet to a point for an
 4-27 interior corner of this tract, an exterior corner of said 40.323
 4-28 acres, an exterior corner of said State Highway 99 and the
 4-29 Northernmost corner of said 154.072 acres. Said point being the
 4-30 BEGINNING POINT of a curve to the right, concave Southerly.

4-31 Thence: Along and around said curve to the right, in an
 4-32 Southeasterly direction, along the Southernmost East line of this
 4-33 tract, the East line of said 154.072 acres, a West line of said
 4-34 40.323 acres and the West right-of-way line of said State Highway
 4-35 99, said curve having a radius of 1110.92 feet, a central angle of
 4-36 $28^{\circ}44'53''$ and a chord bearing and distance of South $61^{\circ}49'04''$ East
 4-37 551.57 feet, for an arc length of 557.40 feet to a point for the
 4-38 TERMINATION POINT of said curve.

4-39 Thence: South $27^{\circ}18'35''$ East along the Southernmost East line
 4-40 of this tract, the East line of said 154.072 acres, the Southernmost
 4-41 West line of said 40.323 acres and the West right-of-way line of
 4-42 said State Highway 99, for a distance of 2133.74 feet to a point for
 4-43 the BEGINNING POINT of a curve to the right, concave Westerly.

4-44 Thence: Along and around said curve to the right, in a
 4-45 Southerly direction, along the Southernmost East line of this
 4-46 tract, the East line of said 154.072 acres, the East line of said
 4-47 41.7490 acres, the Southernmost West line of said 40.323 acres and
 4-48 the West right-of-way line of said State Highway 99, said curve
 4-49 having a radius of 2664.77 feet, a central angle of $57^{\circ}06'14''$, a
 4-50 chord bearing and distance of South $01^{\circ}14'09''$ West 2547.28 feet, for
 4-51 an arc length of 2655.85 feet to a point in the South line of said
 4-52 Chambers County School Land Survey and the North line of the Jacob
 4-53 Townsend Survey, Abstract 25, Chambers County, Texas. Said point
 4-54 being in the North line of that certain called 92.3102 acres
 4-55 conveyed by Joseph Kilgore Heirs to Kilgore Business, LLC by Deed
 4-56 dated June 30, 2016 and recorded in Volume 1663 at Page 649 of the
 4-57 Official Public Records of Chambers County, Texas and being the
 4-58 Southeast corner of this tract, the Southeast corner of said
 4-59 41.7490 acres and the Southwest corner of said 40.323 acres.

4-60 Thence: South $87^{\circ}32'17''$ West along the Easternmost South line
 4-61 of this tract, the South line of said Chambers County School Land
 4-62 Survey, the South line of said 41.7490 acres, the South line of said
 4-63 154.072 acres, the North line of said 92.3102 acres and the North
 4-64 line of said Townsend Survey for a distance of 945.19 feet to a
 4-65 point for the Southernmost Southwest corner of this tract, the
 4-66 Southwest corner of said 41.7490 acres, the Southernmost Southwest
 4-67 corner of said 154.072 acres and the Southeast corner of that
 4-68 certain called 32.10 acres conveyed by Gordon W. Speer to Speer
 4-69 Properties, Inc. by Deed dated February 28, 2002 and recorded in

5-1 Volume 549 at Page 766 of the Official Public Records of Chambers
5-2 County, Texas.

5-3 Thence: North 02°27'43" West along the Southernmost West line
5-4 of this tract, the Southernmost West line of said 154.072 acres, the
5-5 West line of said 41.7490 acres and the East line of said 32.10
5-6 acres for a distance of 1478.65 feet to a point for an interior
5-7 corner of this tract, the Northwest corner of said 41.7490 acres and
5-8 the Northeast corner of said 32.10 acres.

5-9 Thence: South 87°32'17" West along the Westernmost South line
5-10 of this tract, the Westernmost South line of said 154.072 acres, the
5-11 North line of said 32.10 acres and the North line of that certain
5-12 called 1.9821 acres conveyed by Gordon W. Speer to Speer
5-13 Properties, Inc. by Deed dated February 28, 2002 and recorded in
5-14 Volume 549 at Page 769 of the Official Public Records of Chambers
5-15 County, Texas, for a distance of 1478.70 feet to a point for the
5-16 Westernmost Southwest corner of this tract, the Westernmost
5-17 Southwest corner of said 154.072 acres and the Northwest corner of
5-18 said 1.9821 acres.

5-19 Thence: North 02°27'43" West along the Westernmost West line
5-20 of this tract, the Westernmost West line of said 154.072 acres, and
5-21 the East line of that certain 4.391 acres conveyed by Leola Trichel,
5-22 et al, to Speer Properties, Inc. by Deed dated September 13, 1989
5-23 and recorded in Volume 89 at Page 126 of the Official Public Records
5-24 of Chambers County, Texas, for a distance of 1040.40 feet to a point
5-25 for the Southwest corner of said called 27.497 acres.

5-26 Thence: Continue North 02°27'43" West along the Westernmost
5-27 West line of this tract, the Westernmost West line of said 154.072
5-28 acres, the West line of said 27.497 acres, the East line of said
5-29 4.391 acres and the East line of that certain called 1.49 acres
5-30 conveyed by Mrs. Eleanore Collier, et al, to United Gas Pipe Line
5-31 Company by Deed dated December 24, 1954 and recorded in Volume 163
5-32 at Page 459 of the Deed Records of Chambers County, Texas, for a
5-33 distance of 1086.56 feet to a point for the Westernmost Northwest
5-34 corner of this tract, the Northwest corner of said 27.497 acres and
5-35 the Southwest corner of that certain called 20.98 acres conveyed by
5-36 Betty Stubbs McCune to Frank B. McCune in Cause #3127 of the Probate
5-37 Records of Chambers County, Texas.

5-38 Thence: North 87°37'17" East along the Westernmost North line
5-39 of this tract, the North line of said 27.497 acres and the South
5-40 line of said 20.98 acres for a distance of 1094.44 feet to a point
5-41 for the Northeast corner of said 27.497 acres and an exterior corner
5-42 of said 154.072 acres.

5-43 Thence: Continue North 87°37'17" East along the Westernmost
5-44 North line of this tract, the Westernmost North line of said 154.072
5-45 acres and the South line of said 20.98 acres for a distance of
5-46 123.63 feet to a point for an interior corner of this tract, an
5-47 interior corner of said 154.072 acres and the Southeast corner of
5-48 said 20.98 acres.

5-49 Thence: North 02°31'30" West along an interior West line of
5-50 this tract, the Northernmost West line of said 154.072 acres and the
5-51 East line of said 20.98 acres for a distance of 764.88 feet to a
5-52 point for an interior corner of this tract, the Northeast corner of
5-53 said 20.98 acres and the Southeast corner of the heretofore
5-54 mentioned 5.7270 acres.

5-55 Thence: South 87°31'35" West along an interior line of this
5-56 tract, the South line of said 5.7270 acres and the North line of
5-57 said 20.98 acres for a distance of 607.18 feet to a point for an
5-58 exterior corner of this tract, the Southwest corner of said 5.7270
5-59 acres and the Southeast corner of that certain 4.964 acres conveyed
5-60 by Michael L. Graham, et al, to Wowco Properties, LLC by Deed dated
5-61 August 18 and 19, 2016 and recorded in Volume 1677 at Page 404 of the
5-62 Official Public Records of Chambers County, Texas.

5-63 Thence: North 02°17'47" West along the Northernmost West line
5-64 of this tract, the West line of said 5.7270 acres and the East line
5-65 of said 4.964 acres for a distance of 383.93 feet to a point in the
5-66 South right-of-way line of said Interstate Highway No. 10 for the
5-67 Northernmost Northwest corner of this tract, the Northwest corner
5-68 of said 5.7270 acres and the Northeast corner of said 4.964 acres.

5-69 Thence: North 82°20'19" East along the Northernmost North

6-1 line of this tract, the North line of said 5.7270 acres and the
6-2 South right-of-way line of said Interstate Highway No. 10 for a
6-3 distance of 608.09 feet to the PLACE OF BEGINNING and containing
6-4 within these boundaries 187.1135 acres or 8,150,665 square feet of
6-5 land.

6-6 SECTION 3. (a) The legal notice of the intention to
6-7 introduce this Act, setting forth the general substance of this
6-8 Act, has been published as provided by law, and the notice and a
6-9 copy of this Act have been furnished to all persons, agencies,
6-10 officials, or entities to which they are required to be furnished
6-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-12 Government Code.

6-13 (b) The governor, one of the required recipients, has
6-14 submitted the notice and Act to the Texas Commission on
6-15 Environmental Quality.

6-16 (c) The Texas Commission on Environmental Quality has filed
6-17 its recommendations relating to this Act with the governor, the
6-18 lieutenant governor, and the speaker of the house of
6-19 representatives within the required time.

6-20 (d) All requirements of the constitution and laws of this
6-21 state and the rules and procedures of the legislature with respect
6-22 to the notice, introduction, and passage of this Act are fulfilled
6-23 and accomplished.

6-24 SECTION 4. (a) If this Act does not receive a two-thirds
6-25 vote of all the members elected to each house, Subchapter C, Chapter
6-26 8042, Special District Local Laws Code, as added by Section 1 of
6-27 this Act, is amended by adding Section 8042.0306 to read as follows:

6-28 Sec. 8042.0306. NO EMINENT DOMAIN POWER. The district may
6-29 not exercise the power of eminent domain.

6-30 (b) This section is not intended to be an expression of a
6-31 legislative interpretation of the requirements of Section 17(c),
6-32 Article I, Texas Constitution.

6-33 SECTION 5. This Act takes effect immediately if it receives
6-34 a vote of two-thirds of all the members elected to each house, as
6-35 provided by Section 39, Article III, Texas Constitution. If this
6-36 Act does not receive the vote necessary for immediate effect, this
6-37 Act takes effect September 1, 2019.

6-38

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