

1-1 By: Bailes (Senate Sponsor - Creighton) H.B. No. 4674  
 1-2 (In the Senate - Received from the House April 25, 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 0;  
 1-6 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. 4674 By: Alvarado

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. 2; 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 8039 to read as follows:

1-26 CHAPTER 8039. CHAMBERS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 8039.0101. 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. 2.

1-35 Sec. 8039.0102. 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. 8039.0103. 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. 8039.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-43 temporary directors may not hold an election under Section  
 1-44 8039.0103 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. 8039.0105. 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. 8039.0106. 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. 8039.0201. GOVERNING BODY; TERMS. (a) The district  
2-12 is governed by a board of five elected directors.

2-13 (b) Except as provided by Section 8039.0202, directors  
2-14 serve staggered four-year terms.

2-15 Sec. 8039.0202. 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 8039.0103; 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 8039.0103 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 8039.0103; 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. 8039.0301. 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. 8039.0302. 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. 8039.0303. 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. 8039.0304. 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. 8039.0305. 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. 8039.0401. ELECTIONS REGARDING TAXES OR BONDS.  
 3-10 (a) 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 8039.0403.

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. 8039.0402. OPERATION AND MAINTENANCE TAX. (a) If  
 3-23 authorized at an election held under Section 8039.0401, 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. 8039.0403. 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. 8039.0501. 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. 8039.0502. 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. 8039.0503. 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. 2 initially includes all the territory contained in the  
 3-58 following area:

3-59 Being a 363.441 acre tract of land located in the B. Winfree  
 3-60 Survey, Abstract No. 28, Chambers County, Texas; said 363.441 acre  
 3-61 tract being all of a called 171.900 acre tract of land (Tract 1) and  
 3-62 all of a called 191.541 acre tract of land (Tract 2) recorded in the  
 3-63 name of Ameriport, LLC. in Document No. 2018-134001 of the Official  
 3-64 Public Records of Chambers County (O.P.R.C.C.); said 363.441 acre  
 3-65 tract being more particularly described as Tract 1 and Tract 2 by  
 3-66 metes and bounds as follows (all bearings are referenced to the  
 3-67 Texas Coordinate System, North American Datum 1983 (NAD 83), South  
 3-68 Central Zone):

3-69 Tract 1:

4-1 Beginning at a called 5/8-inch iron rod at the northeast  
 4-2 corner of said 171.900 acre tract and the northwest corner of a  
 4-3 called 43.23 acre tract of land recorded in the name of Guy Pfitzner  
 4-4 in Volume 1573, Page 416 of the O.P.R.C.C., and being on the  
 4-5 southerly line of a called 254.14 acre tract of land recorded in the  
 4-6 name of Grand Parkway/Kilgore Parkway, L.P. in Volume 1067, Page  
 4-7 264 of the O.P.R.C.C.;

4-8 1. Thence, with the easterly line of said 171.900 acre tract  
 4-9 and the westerly line of said 43.23 acre tract, South 02 degrees 47  
 4-10 minutes 36 seconds East, a distance of 2,995.19 feet to the  
 4-11 southeast corner of said 171.900 acre tract and the southwest  
 4-12 corner of said 43.23 acre tract, and being on the northwesterly  
 4-13 right-of-way line of FM 565 (width varies) as recorded in Volume  
 4-14 121, Page 151 and 214 and Volume 978, Page 325 of the C.C.D.R.;

4-15 2. Thence, with the southeasterly line of said 171.900 acre  
 4-16 tract and said northwesterly right-of-way line of FM 565, South 50  
 4-17 degrees 13 minutes 52 seconds West, a distance of 856.17 feet;

4-18 3. Thence, continuing with said southeasterly line of the  
 4-19 171.900 acre tract and said northwesterly right-of-way line of FM  
 4-20 565, South 50 degrees 17 minutes 52 seconds West, a distance of  
 4-21 1,904.70 feet to the southwesterly corner of said 171.900 acre  
 4-22 tract and being at the intersection with the northeasterly  
 4-23 right-of-way line of Needlepoint Road (width varies);

4-24 4. Thence, with the westerly line of said 171.900 acre tract  
 4-25 and said easterly right-of-way line of Needlepoint Road, North 28  
 4-26 degrees 59 minutes 14 seconds West, a distance of 214.63 feet to the  
 4-27 most southerly corner of a called 27.650 acre tract of land recorded  
 4-28 in the name of State of Texas in Volume 570, Page 546 and Volume 899,  
 4-29 Page 415 of the O.P.R.C.C., and being on the easterly right-of-way  
 4-30 line of State Highway 99 (Grand Parkway) (width varies);

4-31 Thence, with the westerly line of said 171.900 acre tract and  
 4-32 said easterly right-of-way line of State Highway 99, the following  
 4-33 five (5) courses:

4-34 5. North 08 degrees 03 minutes 08 seconds West, a distance  
 4-35 of 169.59 feet;

4-36 6. North 16 degrees 55 minutes 00 seconds East, a distance  
 4-37 of 766.59 feet;

4-38 7. 679.78 feet along the arc of a curve to the left, said  
 4-39 curve having a central angle of 19 degrees 28 minutes 27 seconds, a  
 4-40 radius of 2,000.00 feet and a chord that bears North 07 degrees 10  
 4-41 minutes 49 seconds East, a distance of 676.51 feet;

4-42 8. North 02 degrees 33 minutes 28 seconds West, a distance  
 4-43 of 1,718.97 feet;

4-44 9. 1,206.61 feet along the arc of a curve to the right, said  
 4-45 curve having a central angle of 10 degrees 02 minutes 11 seconds, a  
 4-46 radius of 6,888.29 feet and a chord that bears North 02 degrees 27  
 4-47 minutes 38 seconds East, a distance of 1,205.07 feet to the  
 4-48 northwest corner of aforesaid 171.900 acre tract and the southwest  
 4-49 corner of aforesaid 254.14 acre tract;

4-50 10. Thence, with the northerly line of said 171.900 acre  
 4-51 tract and the southerly line of said 254.14 acre tract, North 87  
 4-52 degrees 39 minutes 30 seconds East, a distance of 1,824.19 feet to  
 4-53 the Point of Beginning and containing 171.900 acres of land in Tract  
 4-54 1.

4-55 Tract 2:

4-56 Beginning at a called 5/8-inch iron rod at the southwest  
 4-57 corner of aforesaid 191.541 acre tract and the northwest corner of a  
 4-58 called 1.228 acre tract of land recorded in the name of Johland  
 4-59 Investments, LLC. in Volume 1704, Page 156 of the O.P.R.C.C., and  
 4-60 being on the northeasterly right-of-way line of FM 2354  
 4-61 (120.00-foot wide) as recorded in Volume 191, Page 542 of the  
 4-62 Chambers County Deed Records (C.C.D.R.);

4-63 1. Thence, with the southwesterly line of said 191.541 acre  
 4-64 tract and said northeasterly right-of-way line of FM 2354, 485.65  
 4-65 feet along the arc of a curve to the left, said curve having a  
 4-66 central angle of 04 degrees 51 minutes 23 seconds, a radius of  
 4-67 5,729.58 feet and a chord that bears North 37 degrees 33 minutes 03  
 4-68 seconds West, a distance of 485.51 feet;

4-69 2. Thence, continuing with said southwesterly line of the

5-1 191.541 acre tract and said northeasterly right-of-way line of FM  
 5-2 2354, North 40 degrees 38 minutes 16 seconds West, a distance of  
 5-3 857.53 feet to the southerly end of a cutback corner at the  
 5-4 intersection with the southeasterly right-of-way line of aforesaid  
 5-5 FM 565;

5-6 3. Thence, with said cutback, North 13 degrees 53 minutes 15  
 5-7 seconds West, a distance of 111.07 feet to the northerly end of said  
 5-8 cutback;

5-9 4. Thence, with the northwesterly line of said 191.541 and  
 5-10 said southeasterly right-of-way line of FM 565, North 50 degrees 17  
 5-11 minutes 52 seconds East, a distance of 1,842.85 feet;

5-12 5. Thence, continuing with said northwesterly line of the  
 5-13 191.541 acre tract and said southeasterly right-of-way line, North  
 5-14 50 degrees 13 minutes 52 seconds East, a distance of 1,471.18 feet  
 5-15 to the most northerly corner of said 191.541 acre tract and the  
 5-16 westerly corner of Tiffany Acres Section 2, a subdivision recorded  
 5-17 in Volume A, Page 243 of the Chambers County Map Records (C.C.M.R.);

5-18 6. Thence, with the northeasterly line of said 191.541 acre  
 5-19 tract, the southwesterly line of said Tiffany Acres Section 2, and  
 5-20 the southwesterly line of a called 2.000 acre tract of land recorded  
 5-21 in the name of David Michael McAdams and Jodie L. McAdams in Volume  
 5-22 662, Page 363 of the O.P.R.C.C., South 39 degrees 41 minutes 39  
 5-23 seconds East, a distance of 2,744.85 feet to the most easterly  
 5-24 northeast corner of said 191.541 acre tract and the southerly  
 5-25 corner of said 2.000 acre tract, and being on the westerly line of a  
 5-26 called 2.000 acre tract of land recorded in the name of Norberto  
 5-27 Pagan and Delia Pagan in Volume 236, Page 460 of the O.P.R.C.C.;

5-28 7. Thence, with the easterly line of said 191.541 acre  
 5-29 tract, the westerly line of said 2.000 acre tract, the westerly line  
 5-30 of a called 1.000 acre tract of land recorded in the name of  
 5-31 Valentin Garcia and Hilda A. Garcia in Volume 236, Page 474 of the  
 5-32 O.P.R.C.C., the westerly line of a called 1.000 acre tract of land  
 5-33 recorded in the name of Wyman Tod Stephens in Volume 1215, Page 524  
 5-34 of the O.P.R.C.C., the westerly line of a called 2.00 acre tract of  
 5-35 land recorded in the name of Graciela Hurtado Reyna in Volume 1502,  
 5-36 Page 625 of the O.P.R.C.C., and the westerly line of a called 1.9912  
 5-37 acre tract of land recorded in the name of Dennis Ray Peting and  
 5-38 Drena Lee Peting in Volume 150, Page 218 of the O.P.R.C.C., South 02  
 5-39 degrees 45 minutes 29 seconds East, a distance of 637.48 feet to the  
 5-40 most easterly southeast corner of said 191.541 acre tract and the  
 5-41 northeast corner of a called 7.965 acre tract recorded in the name  
 5-42 of NEQ Investments, LLC. in Volume 952, Page 729 of the O.P.R.C.C.;

5-43 8. Thence, with the southerly line of said 191.541 acre  
 5-44 tract and the northerly line of said 7.965 acre tract, South 86  
 5-45 degrees 48 minutes 29 seconds West, a distance of 1,085.42 feet to  
 5-46 an interior corner of said 191.541 acre tract and the northwest  
 5-47 corner of said 7.965 acre tract;

5-48 9. Thence, with an easterly line of said 191.541 acre tract  
 5-49 and the westerly line of said 7.965 acre tract, South 03 degrees 11  
 5-50 minutes 31 seconds East, a distance of 320.00 feet to the most  
 5-51 southerly southeast corner of said 191.541 acre tract, the  
 5-52 southwest corner of said 7.965 acre tract, and the northeast corner  
 5-53 of a called 8.66 acre tract of land recorded in the name of David L.  
 5-54 Gamble in Volume 337, Page 419 of the O.P.R.C.C.;

5-55 10. Thence, with the southerly line of said 191.541 acre  
 5-56 tract, the northerly line of said 8.66 acre tract, the northerly  
 5-57 line of a called 1.7 acre tract recorded in the name of General  
 5-58 Telephone Company (Verizon Communications-Texas) in Volume 307,  
 5-59 Page 642 of the O.P.R.C.C., the northerly line of a called 2.1681  
 5-60 acre tract of land recorded in the name of David Schaffer and wife,  
 5-61 Donna Schaffer in Volume 27, Page 509 of the O.P.R.C.C., and the  
 5-62 northerly line of aforesaid 1.228 acre tract, South 86 degrees 48  
 5-63 minutes 29 seconds West, a distance of 2,389.16 feet to the Point of  
 5-64 Beginning and containing 191.541 acres of land in Tract 2.

5-65 SECTION 3. (a) The legal notice of the intention to  
 5-66 introduce this Act, setting forth the general substance of this  
 5-67 Act, has been published as provided by law, and the notice and a  
 5-68 copy of this Act have been furnished to all persons, agencies,  
 5-69 officials, or entities to which they are required to be furnished

6-1 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
6-2 Government Code.

6-3 (b) The governor, one of the required recipients, has  
6-4 submitted the notice and Act to the Texas Commission on  
6-5 Environmental Quality.

6-6 (c) The Texas Commission on Environmental Quality has filed  
6-7 its recommendations relating to this Act with the governor, the  
6-8 lieutenant governor, and the speaker of the house of  
6-9 representatives within the required time.

6-10 (d) All requirements of the constitution and laws of this  
6-11 state and the rules and procedures of the legislature with respect  
6-12 to the notice, introduction, and passage of this Act are fulfilled  
6-13 and accomplished.

6-14 SECTION 4. (a) If this Act does not receive a two-thirds  
6-15 vote of all the members elected to each house, Subchapter C, Chapter  
6-16 8039, Special District Local Laws Code, as added by Section 1 of  
6-17 this Act, is amended by adding Section 8039.0306 to read as follows:

6-18 Sec. 8039.0306. NO EMINENT DOMAIN POWER. The district may  
6-19 not exercise the power of eminent domain.

6-20 (b) This section is not intended to be an expression of a  
6-21 legislative interpretation of the requirements of Section 17(c),  
6-22 Article I, Texas Constitution.

6-23 SECTION 5. This Act takes effect immediately if it receives  
6-24 a vote of two-thirds of all the members elected to each house, as  
6-25 provided by Section 39, Article III, Texas Constitution. If this  
6-26 Act does not receive the vote necessary for immediate effect, this  
6-27 Act takes effect September 1, 2019.

6-28 \* \* \* \* \*