

1-1 By: Burns (Senate Sponsor - Birdwell) H.B. No. 4723
1-2 (In the Senate - Received from the House May 6, 2019;
1-3 May 7, 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 creation of the Belmont Municipal Utility District
1-18 of Johnson County; providing authority to issue bonds; providing
1-19 authority to impose assessments, fees, and taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-22 Code, is amended by adding Chapter 7896 to read as follows:

1-23 CHAPTER 7896. BELMONT MUNICIPAL UTILITY DISTRICT OF JOHNSON
1-24 COUNTY

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 7896.0101. 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 Belmont Municipal Utility
1-32 District of Johnson County.

1-33 Sec. 7896.0102. 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. 7896.0103. 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. 7896.0104. CONSENT OF MUNICIPALITY REQUIRED. The
1-41 temporary directors may not hold an election under Section
1-42 7896.0103 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. 7896.0105. 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. 7896.0106. 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. 7896.0201. 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 7896.0202, directors

2-11 serve staggered four-year terms.

2-12 Sec. 7896.0202. TEMPORARY DIRECTORS. (a) On or after

2-13 September 1, 2019, the owner or owners of a majority of the assessed

2-14 value of the real property in the district may submit a petition to

2-15 the commission requesting that the commission appoint as temporary

2-16 directors the five persons named in the petition. The commission

2-17 shall appoint as temporary directors the five persons named in the

2-18 petition.

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

2-20 (1) the date permanent directors are elected under

2-21 Section 7896.0103; or

2-22 (2) September 1, 2023.

2-23 (c) If permanent directors have not been elected under

2-24 Section 7896.0103 and the terms of the temporary directors have

2-25 expired, successor temporary directors shall be appointed or

2-26 reappointed as provided by Subsection (d) to serve terms that

2-27 expire on the earlier of:

2-28 (1) the date permanent directors are elected under

2-29 Section 7896.0103; or

2-30 (2) the fourth anniversary of the date of the

2-31 appointment or reappointment.

2-32 (d) If Subsection (c) applies, the owner or owners of a

2-33 majority of the assessed value of the real property in the district

2-34 may submit a petition to the commission requesting that the

2-35 commission appoint as successor temporary directors the five

2-36 persons named in the petition. The commission shall appoint as

2-37 successor temporary directors the five persons named in the

2-38 petition.

2-39 SUBCHAPTER C. POWERS AND DUTIES

2-40 Sec. 7896.0301. GENERAL POWERS AND DUTIES. The district

2-41 has the powers and duties necessary to accomplish the purposes for

2-42 which the district is created.

2-43 Sec. 7896.0302. MUNICIPAL UTILITY DISTRICT POWERS AND

2-44 DUTIES. The district has the powers and duties provided by the

2-45 general law of this state, including Chapters 49 and 54, Water Code,

2-46 applicable to municipal utility districts created under Section 59,

2-47 Article XVI, Texas Constitution.

2-48 Sec. 7896.0303. AUTHORITY FOR ROAD PROJECTS. Under Section

2-49 52, Article III, Texas Constitution, the district may design,

2-50 acquire, construct, finance, issue bonds for, improve, operate,

2-51 maintain, and convey to this state, a county, or a municipality for

2-52 operation and maintenance macadamized, graveled, or paved roads, or

2-53 improvements, including storm drainage, in aid of those roads.

2-54 Sec. 7896.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A

2-55 road project must meet all applicable construction standards,

2-56 zoning and subdivision requirements, and regulations of each

2-57 municipality in whose corporate limits or extraterritorial

2-58 jurisdiction the road project is located.

2-59 (b) If a road project is not located in the corporate limits

2-60 or extraterritorial jurisdiction of a municipality, the road

2-61 project must meet all applicable construction standards,

2-62 subdivision requirements, and regulations of each county in which

2-63 the road project is located.

2-64 (c) If the state will maintain and operate the road, the

2-65 Texas Transportation Commission must approve the plans and

2-66 specifications of the road project.

2-67 Sec. 7896.0305. COMPLIANCE WITH MUNICIPAL CONSENT

2-68 ORDINANCE OR RESOLUTION. The district shall comply with all

2-69 applicable requirements of any ordinance or resolution that is

3-1 adopted under Section 54.016 or 54.0165, Water Code, and that
 3-2 consents to the creation of the district or to the inclusion of land
 3-3 in the district.

3-4 Sec. 7896.0306. DIVISION OF DISTRICT. (a) The district may
 3-5 be divided into two or more new districts only if the district:

3-6 (1) has no outstanding bonded debt; and

3-7 (2) is not imposing ad valorem taxes.

3-8 (b) This chapter applies to any new district created by the
 3-9 division of the district, and a new district has all the powers and
 3-10 duties of the district.

3-11 (c) Any new district created by the division of the district
 3-12 may not, at the time the new district is created, contain any land
 3-13 outside the area described by Section 2 of the Act enacting this
 3-14 chapter.

3-15 (d) The board, on its own motion or on receipt of a petition
 3-16 signed by the owner or owners of a majority of the assessed value of
 3-17 the real property in the district, may adopt an order dividing the
 3-18 district.

3-19 (e) The board may adopt an order dividing the district
 3-20 before or after the date the board holds an election under Section
 3-21 7896.0103 to confirm the district's creation.

3-22 (f) An order dividing the district must:

3-23 (1) name each new district;

3-24 (2) include the metes and bounds description of the
 3-25 territory of each new district;

3-26 (3) appoint temporary directors for each new district;
 3-27 and

3-28 (4) provide for the division of assets and liabilities
 3-29 between or among the new districts.

3-30 (g) On or before the 30th day after the date of adoption of
 3-31 an order dividing the district, the district shall file the order
 3-32 with the commission and record the order in the real property
 3-33 records of each county in which the district is located.

3-34 (h) Any new district created by the division of the district
 3-35 shall hold a confirmation and directors' election as required by
 3-36 Section 7896.0103. If the voters of a new district do not confirm
 3-37 the creation of the new district, the assets, obligations,
 3-38 territory, and governance of the new district revert to the
 3-39 original district.

3-40 (i) Municipal consent to the creation of the district and to
 3-41 the inclusion of land in the district granted under Section
 3-42 7896.0104 acts as municipal consent to the creation of any new
 3-43 district created by the division of the district and to the
 3-44 inclusion of land in the new district.

3-45 (j) Any new district created by the division of the district
 3-46 must hold an election as required by this chapter to obtain voter
 3-47 approval before the district may impose a maintenance tax or issue
 3-48 bonds payable wholly or partly from ad valorem taxes.

3-49 (k) If the creation of the new district is confirmed, the
 3-50 new district shall provide the election date and results to the
 3-51 commission.

3-52 Sec. 7896.0307. NO EMINENT DOMAIN POWER. The district may
 3-53 not exercise the power of eminent domain.

3-54 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-55 Sec. 7896.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
 3-56 The district may issue, without an election, bonds and other
 3-57 obligations secured by:

3-58 (1) revenue other than ad valorem taxes; or

3-59 (2) contract payments described by Section 7896.0403.

3-60 (b) The district must hold an election in the manner
 3-61 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-62 before the district may impose an ad valorem tax or issue bonds
 3-63 payable from ad valorem taxes.

3-64 (c) The district may not issue bonds payable from ad valorem
 3-65 taxes to finance a road project unless the issuance is approved by a
 3-66 vote of a two-thirds majority of the district voters voting at an
 3-67 election held for that purpose.

3-68 Sec. 7896.0402. OPERATION AND MAINTENANCE TAX. (a) If
 3-69 authorized at an election held under Section 7896.0401, the

4-1 district may impose an operation and maintenance tax on taxable
4-2 property in the district in accordance with Section 49.107, Water
4-3 Code.

4-4 (b) The board shall determine the tax rate. The rate may not
4-5 exceed the rate approved at the election.

4-6 Sec. 7896.0403. CONTRACT TAXES. (a) In accordance with
4-7 Section 49.108, Water Code, the district may impose a tax other than
4-8 an operation and maintenance tax and use the revenue derived from
4-9 the tax to make payments under a contract after the provisions of
4-10 the contract have been approved by a majority of the district voters
4-11 voting at an election held for that purpose.

4-12 (b) A contract approved by the district voters may contain a
4-13 provision stating that the contract may be modified or amended by
4-14 the board without further voter approval.

4-15 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 7896.0501. AUTHORITY TO ISSUE BONDS AND OTHER
4-17 OBLIGATIONS. The district may issue bonds or other obligations
4-18 payable wholly or partly from ad valorem taxes, impact fees,
4-19 revenue, contract payments, grants, or other district money, or any
4-20 combination of those sources, to pay for any authorized district
4-21 purpose.

4-22 Sec. 7896.0502. TAXES FOR BONDS. At the time the district
4-23 issues bonds payable wholly or partly from ad valorem taxes, the
4-24 board shall provide for the annual imposition of a continuing
4-25 direct ad valorem tax, without limit as to rate or amount, while all
4-26 or part of the bonds are outstanding as required and in the manner
4-27 provided by Sections 54.601 and 54.602, Water Code.

4-28 Sec. 7896.0503. BONDS FOR ROAD PROJECTS. At the time of
4-29 issuance, the total principal amount of bonds or other obligations
4-30 issued or incurred to finance road projects and payable from ad
4-31 valorem taxes may not exceed one-fourth of the assessed value of the
4-32 real property in the district.

4-33 SECTION 2. The Belmont Municipal Utility District of
4-34 Johnson County initially includes all the territory contained in
4-35 the following area:

4-36 BEING 502.94 acres out of the P.S. DOSS SURVEY, ABSTRACT
4-37 NUMBER 197 and the JOHNSON COUNTY SCHOOL LANDS SURVEY, ABSTRACT
4-38 NUMBER 443, Johnson County, Texas and being those certain tracts of
4-39 land conveyed to MAAK Enterprises, LP (318.94 acres), according to
4-40 the deed recorded in Volume 2289, Page 289, Deed Records of Johnson
4-41 County, Texas and to Roy King Carrell according to the deed recorded
4-42 in Volume 2289, Page 293, Deed Records of Johnson County, Texas and
4-43 being more particularly described as follows:

4-44 BEGINNING at a the northeast corner of said Carrell tract,
4-45 said point being in the apparent centerline of County Road 1006;

4-46 THENCE, South, along the apparent centerline of said County
4-47 Road 1006, at 1883.4 feet passing the southeast corner of said
4-48 Carrell tract and the northeast corner of said MAAK tract and
4-49 continuing in all a distance of 5660.9 feet to a point for corner,
4-50 being the southeast corner of said MAAK tract;

4-51 THENCE, West, along the existing north right-of-way line of
4-52 FM 917, 3677.8 feet to a point for corner, being the southwest
4-53 corner of said MAAK tract;

4-54 THENCE, North, along the west line of said MAAK tract, 3777.5
4-55 feet to a point for corner, said point being in the south line of
4-56 said Carrell tract and also being the northwest corner of said MAAK
4-57 tract;

4-58 THENCE, West, along the south line of said Carrell tract,
4-59 577.8 feet to a point for corner, being the southwest corner of said
4-60 Carrell tract;

4-61 THENCE, North, along the west line of said Carrell tract,
4-62 1883.4 feet to a point for corner, being the northwest corner of
4-63 said Carrell tract;

4-64 THENCE, East, along the north line of said Carrell tract,
4-65 4255.6 feet to the POINT OF BEGINNING.

4-66 The tract of land herein described contains 502.94 acres of
4-67 land.

4-68 SECTION 3. (a) The legal notice of the intention to
4-69 introduce this Act, setting forth the general substance of this

5-1 Act, has been published as provided by law, and the notice and a
5-2 copy of this Act have been furnished to all persons, agencies,
5-3 officials, or entities to which they are required to be furnished
5-4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-5 Government Code.

5-6 (b) The governor, one of the required recipients, has
5-7 submitted the notice and Act to the Texas Commission on
5-8 Environmental Quality.

5-9 (c) The Texas Commission on Environmental Quality has filed
5-10 its recommendations relating to this Act with the governor, the
5-11 lieutenant governor, and the speaker of the house of
5-12 representatives within the required time.

5-13 (d) All requirements of the constitution and laws of this
5-14 state and the rules and procedures of the legislature with respect
5-15 to the notice, introduction, and passage of this Act are fulfilled
5-16 and accomplished.

5-17 SECTION 4. This Act takes effect September 1, 2019.

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