

1-1 By: Bailes (Senate Sponsor - Schwertner) H.B. No. 4658  
 1-2 (In the Senate - Received from the House May 17, 2021;  
 1-3 May 17, 2021, read first time and referred to Committee on Local  
 1-4 Government; May 22, 2021, reported adversely, with favorable  
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;  
 1-6 May 22, 2021, 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	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4658 By: Springer

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to the creation of the Huntsville Municipal Utility  
 1-22 District No. 1 of Walker County, Texas; granting a limited power of  
 1-23 eminent domain; providing authority to issue bonds; providing  
 1-24 authority to impose assessments, fees, and taxes.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-27 Code, is amended by adding Chapter 7935A to read as follows:

1-28 CHAPTER 7935A. HUNTSVILLE MUNICIPAL UTILITY DISTRICT NO. 1 OF  
 1-29 WALKER COUNTY, TEXAS

1-30 SUBCHAPTER A. GENERAL PROVISIONS

1-31 Sec. 7935A.0101. DEFINITIONS. In this chapter:

1-32 (1) "Board" means the district's board of directors.

1-33 (2) "Commission" means the Texas Commission on  
 1-34 Environmental Quality.

1-35 (3) "Director" means a board member.

1-36 (4) "District" means the Huntsville Municipal Utility  
 1-37 District No. 1 of Walker County, Texas.

1-38 Sec. 7935A.0102. NATURE OF DISTRICT. The district is a  
 1-39 municipal utility district created under Section 59, Article XVI,  
 1-40 Texas Constitution.

1-41 Sec. 7935A.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-42 REQUIRED. The temporary directors shall hold an election to  
 1-43 confirm the creation of the district and to elect five permanent  
 1-44 directors as provided by Section 49.102, Water Code.

1-45 Sec. 7935A.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
 1-46 temporary directors may not hold an election under Section  
 1-47 7935A.0103 until each municipality in whose corporate limits or  
 1-48 extraterritorial jurisdiction the district is located has  
 1-49 consented by ordinance or resolution to the creation of the  
 1-50 district and to the inclusion of land in the district.

1-51 Sec. 7935A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

1-52 (a) The district is created to serve a public purpose and benefit.

1-53 (b) The district is created to accomplish the purposes of:

1-54 (1) a municipal utility district as provided by  
 1-55 general law and Section 59, Article XVI, Texas Constitution; and

1-56 (2) Section 52, Article III, Texas Constitution, that  
 1-57 relate to the construction, acquisition, improvement, operation,  
 1-58 or maintenance of macadamized, graveled, or paved roads, or  
 1-59 improvements, including storm drainage, in aid of those roads.

1-60 Sec. 7935A.0106. INITIAL DISTRICT TERRITORY. (a) The

2-1 district is initially composed of the territory described by  
 2-2 Section 2 of the Act enacting this chapter.

2-3 (b) The boundaries and field notes contained in Section 2 of  
 2-4 the Act enacting this chapter form a closure. A mistake made in the  
 2-5 field notes or in copying the field notes in the legislative process  
 2-6 does not affect the district's:

2-7 (1) organization, existence, or validity;

2-8 (2) right to issue any type of bond for the purposes  
 2-9 for which the district is created or to pay the principal of and  
 2-10 interest on a bond;

2-11 (3) right to impose a tax; or

2-12 (4) legality or operation.

2-13 SUBCHAPTER B. BOARD OF DIRECTORS

2-14 Sec. 7935A.0201. GOVERNING BODY; TERMS. (a) The district  
 2-15 is governed by a board of five elected directors.

2-16 (b) Except as provided by Section 7935A.0202, directors  
 2-17 serve staggered four-year terms.

2-18 Sec. 7935A.0202. TEMPORARY DIRECTORS. (a) On or after the  
 2-19 effective date of the Act enacting this chapter, the owner or owners  
 2-20 of a majority of the assessed value of the real property in the  
 2-21 district may submit a petition to the commission requesting that  
 2-22 the commission appoint as temporary directors the five persons  
 2-23 named in the petition. The commission shall appoint as temporary  
 2-24 directors the five persons named in the petition.

2-25 (b) Temporary directors serve until the earlier of:

2-26 (1) the date permanent directors are elected under  
 2-27 Section 7935A.0103; or

2-28 (2) the fourth anniversary of the effective date of  
 2-29 the Act enacting this chapter.

2-30 (c) If permanent directors have not been elected under  
 2-31 Section 7935A.0103 and the terms of the temporary directors have  
 2-32 expired, successor temporary directors shall be appointed or  
 2-33 reappointed as provided by Subsection (d) to serve terms that  
 2-34 expire on the earlier of:

2-35 (1) the date permanent directors are elected under  
 2-36 Section 7935A.0103; or

2-37 (2) the fourth anniversary of the date of the  
 2-38 appointment or reappointment.

2-39 (d) If Subsection (c) applies, the owner or owners of a  
 2-40 majority of the assessed value of the real property in the district  
 2-41 may submit a petition to the commission requesting that the  
 2-42 commission appoint as successor temporary directors the five  
 2-43 persons named in the petition. The commission shall appoint as  
 2-44 successor temporary directors the five persons named in the  
 2-45 petition.

2-46 SUBCHAPTER C. POWERS AND DUTIES

2-47 Sec. 7935A.0301. GENERAL POWERS AND DUTIES. The district  
 2-48 has the powers and duties necessary to accomplish the purposes for  
 2-49 which the district is created.

2-50 Sec. 7935A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-51 DUTIES. The district has the powers and duties provided by the  
 2-52 general law of this state, including Chapters 49 and 54, Water Code,  
 2-53 applicable to municipal utility districts created under Section 59,  
 2-54 Article XVI, Texas Constitution.

2-55 Sec. 7935A.0303. AUTHORITY FOR ROAD PROJECTS. Under  
 2-56 Section 52, Article III, Texas Constitution, the district may  
 2-57 design, acquire, construct, finance, issue bonds for, improve,  
 2-58 operate, maintain, and convey to this state, a county, or a  
 2-59 municipality for operation and maintenance macadamized, graveled,  
 2-60 or paved roads, or improvements, including storm drainage, in aid  
 2-61 of those roads.

2-62 Sec. 7935A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 2-63 road project must meet all applicable construction standards,  
 2-64 zoning and subdivision requirements, and regulations of each  
 2-65 municipality in whose corporate limits or extraterritorial  
 2-66 jurisdiction the road project is located.

2-67 (b) If a road project is not located in the corporate limits  
 2-68 or extraterritorial jurisdiction of a municipality, the road  
 2-69 project must meet all applicable construction standards,

3-1 subdivision requirements, and regulations of each county in which  
3-2 the road project is located.

3-3 (c) If the state will maintain and operate the road, the  
3-4 Texas Transportation Commission must approve the plans and  
3-5 specifications of the road project.

3-6 Sec. 7935A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
3-7 ORDINANCE OR RESOLUTION. The district shall comply with all  
3-8 applicable requirements of any ordinance or resolution that is  
3-9 adopted under Section 54.016 or 54.0165, Water Code, and that  
3-10 consents to the creation of the district or to the inclusion of land  
3-11 in the district.

3-12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-13 Sec. 7935A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
3-14 The district may issue, without an election, bonds and other  
3-15 obligations secured by:

3-16 (1) revenue other than ad valorem taxes; or

3-17 (2) contract payments described by Section  
3-18 7935A.0403.

3-19 (b) The district must hold an election in the manner  
3-20 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
3-21 before the district may impose an ad valorem tax or issue bonds  
3-22 payable from ad valorem taxes.

3-23 (c) The district may not issue bonds payable from ad valorem  
3-24 taxes to finance a road project unless the issuance is approved by a  
3-25 vote of a two-thirds majority of the district voters voting at an  
3-26 election held for that purpose.

3-27 Sec. 7935A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
3-28 authorized at an election held under Section 7935A.0401, the  
3-29 district may impose an operation and maintenance tax on taxable  
3-30 property in the district in accordance with Section 49.107, Water  
3-31 Code.

3-32 (b) The board shall determine the tax rate. The rate may not  
3-33 exceed the rate approved at the election.

3-34 Sec. 7935A.0403. CONTRACT TAXES. (a) In accordance with  
3-35 Section 49.108, Water Code, the district may impose a tax other than  
3-36 an operation and maintenance tax and use the revenue derived from  
3-37 the tax to make payments under a contract after the provisions of  
3-38 the contract have been approved by a majority of the district voters  
3-39 voting at an election held for that purpose.

3-40 (b) A contract approved by the district voters may contain a  
3-41 provision stating that the contract may be modified or amended by  
3-42 the board without further voter approval.

3-43 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-44 Sec. 7935A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
3-45 OBLIGATIONS. The district may issue bonds or other obligations  
3-46 payable wholly or partly from ad valorem taxes, impact fees,  
3-47 revenue, contract payments, grants, or other district money, or any  
3-48 combination of those sources, to pay for any authorized district  
3-49 purpose.

3-50 Sec. 7935A.0502. TAXES FOR BONDS. At the time the district  
3-51 issues bonds payable wholly or partly from ad valorem taxes, the  
3-52 board shall provide for the annual imposition of a continuing  
3-53 direct ad valorem tax, without limit as to rate or amount, while all  
3-54 or part of the bonds are outstanding as required and in the manner  
3-55 provided by Sections 54.601 and 54.602, Water Code.

3-56 Sec. 7935A.0503. BONDS FOR ROAD PROJECTS. At the time of  
3-57 issuance, the total principal amount of bonds or other obligations  
3-58 issued or incurred to finance road projects and payable from ad  
3-59 valorem taxes may not exceed one-fourth of the assessed value of the  
3-60 real property in the district.

3-61 SECTION 2. The Huntsville Municipal Utility District No. 1  
3-62 of Walker County, Texas, initially includes all the territory  
3-63 contained in the following area:

3-64 A METES & BOUNDS description of a calculated 350.0 acre tract  
3-65 of land situated in the John Beauchamp Survey, Abstract No. 92, the  
3-66 John Hume Survey, Abstract No. 264, the W.N. Mock Survey, Abstract  
3-67 No. 401, and the I.&G.N. R.R. Co. Survey, Abstract No. 691, in  
3-68 Walker County, Texas, being all of a called 6.00 acre tract (Tract 1  
3-69 - C.F. No. 201700028486) recorded in Clerk's File No. 201700028486,

4-1 Walker County Official Records, and being all of a calculated 340.0  
 4-2 acre tract (Tract 2 - C.F. No. 201700028487) out of a called 710.308  
 4-3 acre tract recorded in Clerk's File No. 201700028487, Walker County  
 4-4 Official Records, said calculated 350.0 acre tract being more  
 4-5 particularly described as follows:  
 4-6 (Tract 1 - C.F. No. 201700028486)

4-7 Being 6.000 acres (261,338 square feet) tract of land out of  
 4-8 the John Hume Survey, Abstract No. 264, and the John Beauchamp  
 4-9 Survey, Abstract No. 92, Walker County Texas and being out of the  
 4-10 Lot 3B of Amending Replat of Lot 3, Stephen H. Dawson Subdivision as  
 4-11 recorded under Volume 6, Page 35 of the Walker County Plat Records  
 4-12 (W.C.P.R.), Texas and being out of a called Lot 3 (18.251 acres) as  
 4-13 conveyed to BDB Investments, a Texas General Partnership composed  
 4-14 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded  
 4-15 under Document No. 200800005295 of the Walker County Deed Records  
 4-16 (W.C.D.R.), Texas and a 0.63 acre tract (designated Tract One) and a  
 4-17 1.347 acre tract (designated Tract Two) as conveyed to BDB  
 4-18 Investments, a Texas General Partnership composed of J.D. Davis,  
 4-19 Bradley D. Davis, and J. Barrett Davis as recorded under Document  
 4-20 No. 201100005893 W.C.D.R. and being more particularly described by  
 4-21 metes and bounds as follows (with bearings referenced to Texas  
 4-22 State Plane Coordinate System Central Zone, NAD83).

4-23 BEGINNING at a point in the south right-of-way line of  
 4-24 Veterans Memorial Parkway (variable width as recorded in Volume  
 4-25 399, Page 705 W.C.D.R.) and being the northwest comer of a called  
 4-26 254.36 acre tract of land conveyed to Samuella W. Palmer, Trustee of  
 4-27 the Samuella W. Palmer Trust as recorded under Document No.  
 4-28 200700007382 W.C.D.R. and for the northeast corner of Lot 3B of  
 4-29 Amending Replat of Lot 3, Stephen H. Dawson Subdivision as recorded  
 4-30 under Volume 6, Page 35 of the Walker County Plat Records  
 4-31 (W.C.P.R.), Texas and herein described tract;

4-32 THENCE, South 03°00'42" East, 595.64 feet along the east line  
 4-33 of Lot 3B and the west line of the called 254.36 acre tract to the  
 4-34 northeast comer of a called 710.338 acre tract conveyed to  
 4-35 Alexander 263, Ltd.-Baker, LP, a Texas Limited Partnership as  
 4-36 recorded in Volume 956, Page 33 W.C.D.R., and the southeast corner  
 4-37 of Lot 3B and for corner of the herein described tract;

4-38 THENCE, North 67°41'21" West, 61.09 feet along the north line  
 4-39 of the called 710.338 acre tract and the south line of Lot 3B to the  
 4-40 northeast corner of a 0.63 acre tract (designated Tract One) as  
 4-41 conveyed to BDB Investments, a Texas General Partnership composed  
 4-42 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded  
 4-43 under Document No. 201100005893 W.C.D.R. and the northwest corner  
 4-44 of the called 710.338 acre tract and for corner of the herein  
 4-45 described tract;

4-46 THENCE, South 22°11'28" West, 337.01 feet along the west line  
 4-47 of the called 710.338 acre tract and the east line of the called  
 4-48 0.63 acre tract and a 1.347 acre tract (designated Tract Two) as  
 4-49 conveyed to BDB Investments, a Texas General Partnership composed  
 4-50 of J.D. Davis, Bradley D. Davis, and J. Barrett Davis as recorded  
 4-51 under Document No. 201100005893 W.C.D.R. to the northeast corner of  
 4-52 a called 0.87 acre tract conveyed to City of Huntsville as recorded  
 4-53 under Volume 233, Page 130 W.C.D.R. and for the southeast corner of  
 4-54 the herein described tract;

4-55 THENCE, North 67°41'34" West, 275.10 feet along the south  
 4-56 line of the called 1.347 acre and a called 0.53 acre tract conveyed  
 4-57 to Alejandro Zavala and Patricia Zavala, husband and wife, as  
 4-58 recorded under Volume 433 Page 308 W.C.D.R. to a point in the east  
 4-59 right-of-way line of Marigold Lane (formerly known as Holly Lane-  
 4-60 50 foot width as recorded under Volume 1, Page 18 W.C.P.R.) and for  
 4-61 the southwest corner of the called 1.347 acre tract and the herein  
 4-62 described tract;

4-63 THENCE, North 22°18'30" East, 337.03 feet along the east  
 4-64 right-of-way line of Marigold Lane to a point in the south line of  
 4-65 said Lot 3B and for the northwest corner of said called 0.63 acre  
 4-66 tract and a corner of the herein described tract;

4-67 THENCE, North 67°41'21" West, 15.66 feet along the south line  
 4-68 of Lot 3B to a corner of the herein described tract;

4-69 THENCE, North 16°58'02" East, 120.96 feet departing the south

5-1 line of Lot 3B and through the interior of Lot 3B to an angle point;  
5-2        THENCE, North 03°15'52" East, 99.24 feet to an angle point;  
5-3        THENCE, North 03°02'25" West, 405.44 feet to a point in the  
5-4 north line of Lot 3B and the south right-of-way line of Veterans  
5-5 Memorial Parkway for the northwest corner of the herein described  
5-6 tract;  
5-7        THENCE, South 68°03'04" East, 45.14 feet along the north line  
5-8 of Lot 3B and the south right-of-way line of Veterans Memorial  
5-9 Parkway to an angle point;  
5-10        THENCE, South 56°16'24" East, 216.37 feet continuing along  
5-11 the north line of Lot 3B and the south right-of-way line of  
5-12 Veterans Memorial Parkway to an angle point;  
5-13        THENCE, South 68°00'20" East, 56.42 feet continuing along the  
5-14 north line of Lot 3B and the south right-of-way line of Veterans  
5-15 Memorial Parkway to the POINT OF BEGINNING, CONTAINING 6.00 acres  
5-16 (261,338 square feet) of land in Walker County, Texas, filed in the  
5-17 office of Elevation Land Solutions in The Woodlands, Texas.  
5-18 (Tract 2 – C.F. No. 201700028487)  
5-19        A METES & BOUNDS description of a certain 344.0 acre  
5-20 (14,984,662 square feet) tract of land situated in the W.N. Mock  
5-21 Survey, Abstract No. 401, and the I.&G.N. R.R. Co. Survey, Abstract  
5-22 No. 691, in Walker County, Texas, being out of a called 710.308 acre  
5-23 tract conveyed to East Loop Investments, L.L.C. by deed recorded in  
5-24 Clerk's File No. 201700028487, Walker County Official Records; said  
5-25 344.0 acre (14,984,662 square feet) tract of land being more  
5-26 particularly described as follows with all bearings referenced to  
5-27 the Texas Coordinate System, Central Zone, NAD 83:  
5-28        BEGINNING at a point for the northeast corner of a called  
5-29 710.338 acres as conveyed to Alexander 263, Ltd-Baker, LP, a Texas  
5-30 Limited Partnership and recorded under Volume 956, Page 33 Walker  
5-31 County Deed Records and being the southeast corner of Lot 3B of  
5-32 Amending Replat of Lot 3 Stephen H. Dawson Subdivision as recorded  
5-33 under Volume 6, Page 35 of the Walker County Plat Records, Texas,  
5-34 and being in the west line of a called 254.36 acre tract of land  
5-35 conveyed to Samuella W. Palmer, Trustee of the Samuella W. Palmer  
5-36 Trust as recorded under Document No. 200700007382 of the Walker  
5-37 County Deed Records;  
5-38        THENCE, South 02°44'23" East, 4171.62 feet along the east  
5-39 line of the called 710.338 acre tract and the west line of the  
5-40 called 254.36 acre tract to a point for corner in the north line of  
5-41 the W.N. Mock Survey, Abstract No. 401;  
5-42        THENCE, South 04°00'26" East, 193.30 feet to a point for  
5-43 corner;  
5-44        THENCE, North 87°01'45" East, 410.40 feet to a point for  
5-45 corner in the east line of the called 710.338 acre tract;  
5-46        THENCE, South 67°56'27" East, 153.25 feet continuing along  
5-47 the east line of the called 710.338 acre tract to a point for corner  
5-48 in the west line of a called 557 acre tract described as Tract No.  
5-49 J12q conveyed to United States of America and recorded under Volume  
5-50 82, Page 131 of the Walker County Deed Records;  
5-51        THENCE, South 22°25'58" West, 3625.79 feet continuing along  
5-52 the east line of the called 710.338 acre tract and the west line of  
5-53 the called 557 acres tract to a point for corner;  
5-54        THENCE, North 67°41'58" West, 3767.59 feet to a point for  
5-55 corner in the west line of the called 710.338 acre tract and the  
5-56 east line of a remainder called 200 acre tract as conveyed to Heath  
5-57 Branch Fishing Club Incorporated as recorded under Volume 59, Page  
5-58 348 of the Walker County Deed Records;  
5-59        THENCE, North 21°40'17" East, 493.49 feet along the west line  
5-60 of the called 710.338 acre tract and the east line of the called  
5-61 remainder 200 acre tract to a point for the southwest corner of a  
5-62 called 50 acre tract of land conveyed to Heath Branch Fishing Club  
5-63 Incorporated as recorded under Volume 59, Page 348 of the Walker  
5-64 County Deed Records and corner of the called 710.338 acre tract and  
5-65 hereof;  
5-66        THENCE, South 66°36'33" East, 682.37 feet along the west line  
5-67 of the called 710.338 acre tract and the south line of the called 50  
5-68 acre tract to a point for the southeast corner of the called 50 acre  
5-69 tract and corner of the called 710.338 acre tract and hereof;

