

1-1 By: Schofield (Senate Sponsor - Huffman) H.B. No. 5699
 1-2 (In the Senate - Received from the House May 19, 2025;
 1-3 May 21, 2025, read first time and referred to Committee on Local
 1-4 Government; May 22, 2025, reported favorably by the following
 1-5 vote: Yeas 6, Nays 0, 1 present not voting; May 22, 2025, sent to
 1-6 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 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to the authority of the Harris County Municipal Utility
 1-19 District No. 405 to exclude territory; validating and confirming
 1-20 all previous acts of the district.

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 8024A to read as follows:

1-24 CHAPTER 8024A. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 405

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8024A.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. 405.

1-30 SUBCHAPTER B. POWERS AND DUTIES

1-31 Sec. 8024A.0201. EXCLUSION OF PROPERTY BY CONTRACT. (a)
 1-32 Notwithstanding any other law, the district may enter into a
 1-33 written contract with an owner of undeveloped property in the
 1-34 district to exclude the property from the district on terms and
 1-35 conditions the board considers advantageous for the district.

1-36 (b) The district may issue an order excluding the property
 1-37 from the district only if the terms and conditions of the contract
 1-38 are satisfied. The district shall record a copy of the order in the
 1-39 real property records of Harris County.

1-40 (c) Except as provided by the contract described by
 1-41 Subsection (a) and Section 8024A.0202, on issuance of the order,
 1-42 the excluded property is no longer part of the district and is not
 1-43 entitled to any services from the district.

1-44 Sec. 8024A.0202. EFFECT OF EXCLUSION ON INDEBTEDNESS AND
 1-45 TAXES. (a) Until a property's pro rata share of the district's
 1-46 indebtedness is paid in full after the property is excluded from the
 1-47 district under Section 8024A.0201:

1-48 (1) the excluded property's pro rata share of the
 1-49 district's indebtedness remains the obligation of the owner of the
 1-50 excluded property and continues to be secured by statutory liens on
 1-51 the excluded property;

1-52 (2) the district shall continue to levy and collect
 1-53 debt service taxes each year on the excluded property at the same
 1-54 rate levied on other property in the district; and

1-55 (3) the taxes collected under Subdivision (2) remain
 1-56 pledged as security for the district's indebtedness and shall be
 1-57 applied exclusively to the payment of the excluded property's pro
 1-58 rata share of the district's indebtedness.

1-59 (b) The contract for exclusion must state the amount of or a
 1-60 method of determining the excluded property's pro rata share of the
 1-61 district's indebtedness.

2-1 (c) The owner of any part of the excluded property at any
2-2 time may pay in full the remaining unpaid portion of the excluded
2-3 property's pro rata share of the district's indebtedness.

2-4 (d) On payment in full of the excluded property's pro rata
2-5 share of the district's indebtedness, the excluded property is
2-6 released from payment of the district's debt service taxes.

2-7 Sec. 8024A.0203. RIGHTS OF BONDHOLDERS. The exclusion of
2-8 property from the district under Section 8024A.0201 does not
2-9 diminish or impair the rights of the holders of any outstanding and
2-10 unpaid bonds, warrants, or other certificates of indebtedness of
2-11 the district.

2-12 Sec. 8024A.0204. RELIANCE ON PRIOR ELECTION.
2-13 Notwithstanding any other law, the district may issue any unissued
2-14 additional bonds, notes, or other obligations approved by voters of
2-15 the district before the exclusion of property from the district
2-16 under Section 8024A.0201 without holding a new election to
2-17 authorize the issuance of the bonds, notes, or other obligations.

2-18 SECTION 2. The Harris County Municipal Utility District
2-19 No. 405 retains all the rights, powers, privileges, authority,
2-20 duties, and functions that it had before the effective date of this
2-21 Act.

2-22 SECTION 3. (a) The legislature validates and confirms all
2-23 governmental acts and proceedings of the district that were taken
2-24 before the effective date of this Act.

2-25 (b) This section does not apply to any matter that on the
2-26 effective date of this Act:

2-27 (1) is involved in litigation if the litigation
2-28 ultimately results in the matter being held invalid by a final court
2-29 judgment; or

2-30 (2) has been held invalid by a final court judgment.

2-31 SECTION 4. (a) The legal notice of the intention to
2-32 introduce this Act, setting forth the general substance of this
2-33 Act, has been published as provided by law, and the notice and a
2-34 copy of this Act have been furnished to all persons, agencies,
2-35 officials, or entities to which they are required to be furnished
2-36 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
2-37 Government Code.

2-38 (b) The governor, one of the required recipients, has
2-39 submitted the notice and Act to the Texas Commission on
2-40 Environmental Quality.

2-41 (c) The Texas Commission on Environmental Quality has filed
2-42 its recommendations relating to this Act with the governor, the
2-43 lieutenant governor, and the speaker of the house of
2-44 representatives within the required time.

2-45 (d) All requirements of the constitution and laws of this
2-46 state and the rules and procedures of the legislature with respect
2-47 to the notice, introduction, and passage of this Act are fulfilled
2-48 and accomplished.

2-49 SECTION 5. This Act takes effect immediately if it receives
2-50 a vote of two-thirds of all the members elected to each house, as
2-51 provided by Section 39, Article III, Texas Constitution. If this
2-52 Act does not receive the vote necessary for immediate effect, this
2-53 Act takes effect September 1, 2025.

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