

AN ACT

relating to the creation of the Harris County Municipal Utility District No. 554; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7998 to read as follows:

CHAPTER 7998. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 554

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7998.001. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Harris County Municipal Utility District No. 554.

Sec. 7998.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7998.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

1       Sec. 7998.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 7998.003  
3 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 7998.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
8 The district is created to serve a public purpose and benefit.

9       (b) The district is created to accomplish the purposes of:

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

12       (2) Section 52, Article III, Texas Constitution, that  
13 relate to the construction, acquisition, improvement, operation,  
14 or maintenance of macadamized, graveled, or paved roads, or  
15 improvements, including storm drainage, in aid of those roads.

16       Sec. 7998.006. INITIAL DISTRICT TERRITORY. (a) The  
17 district is initially composed of the territory described by  
18 Section 2 of the Act enacting this chapter.

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

23       (1) organization, existence, or validity;

24       (2) right to issue any type of bond for the purposes  
25 for which the district is created or to pay the principal of and  
26 interest on a bond;

27       (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 7998.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 7998.052, directors serve  
6 staggered four-year terms.

7           Sec. 7998.052. TEMPORARY DIRECTORS. (a) The temporary  
8 board consists of:

9                   (1) Matthew O'Neill;

10                  (2) Tayo Ilori;

11                  (3) Kayvon Tabrizi;

12                  (4) Joan L. Gill; and

13                  (5) Justin Klump.

14           (b) Temporary directors serve until the earlier of:

15                   (1) the date permanent directors are elected under  
16 Section 7998.003; or

17                   (2) the fourth anniversary of the effective date of  
18 the Act enacting this chapter.

19           (c) If permanent directors have not been elected under  
20 Section 7998.003 and the terms of the temporary directors have  
21 expired, successor temporary directors shall be appointed or  
22 reappointed as provided by Subsection (d) to serve terms that  
23 expire on the earlier of:

24                   (1) the date permanent directors are elected under  
25 Section 7998.003; or

26                   (2) the fourth anniversary of the date of the  
27 appointment or reappointment.

1       (d) If Subsection (c) applies, the owner or owners of a  
2 majority of the assessed value of the real property in the district  
3 may submit a petition to the commission requesting that the  
4 commission appoint as successor temporary directors the five  
5 persons named in the petition. The commission shall appoint as  
6 successor temporary directors the five persons named in the  
7 petition.

8                   SUBCHAPTER C. POWERS AND DUTIES

9       Sec. 7998.101. GENERAL POWERS AND DUTIES. The district has  
10 the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12       Sec. 7998.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17       Sec. 7998.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

23       Sec. 7998.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
24 project must meet all applicable construction standards, zoning and  
25 subdivision requirements, and regulations of each municipality in  
26 whose corporate limits or extraterritorial jurisdiction the road  
27 project is located.

1       (b) If a road project is not located in the corporate limits  
2 or extraterritorial jurisdiction of a municipality, the road  
3 project must meet all applicable construction standards,  
4 subdivision requirements, and regulations of each county in which  
5 the road project is located.

6       (c) If the state will maintain and operate the road, the  
7 Texas Transportation Commission must approve the plans and  
8 specifications of the road project.

9       Sec. 7998.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
10 OR RESOLUTION. The district shall comply with all applicable  
11 requirements of any ordinance or resolution that is adopted under  
12 Section 54.016 or 54.0165, Water Code, and that consents to the  
13 creation of the district or to the inclusion of land in the  
14 district.

15               SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16       Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
17 district may issue, without an election, bonds and other  
18 obligations secured by:

- 19               (1) revenue other than ad valorem taxes; or  
20               (2) contract payments described by Section 7998.153.

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

25       (c) The district may not issue bonds payable from ad valorem  
26 taxes to finance a road project unless the issuance is approved by a  
27 vote of a two-thirds majority of the district voters voting at an

1 election held for that purpose.

2 Sec. 7998.152. OPERATION AND MAINTENANCE TAX. (a) If  
3 authorized at an election held under Section 7998.151, the district  
4 may impose an operation and maintenance tax on taxable property in  
5 the district in accordance with Section 49.107, Water Code.

6 (b) The board shall determine the tax rate. The rate may not  
7 exceed the rate approved at the election.

8 Sec. 7998.153. CONTRACT TAXES. (a) In accordance with  
9 Section 49.108, Water Code, the district may impose a tax other than  
10 an operation and maintenance tax and use the revenue derived from  
11 the tax to make payments under a contract after the provisions of  
12 the contract have been approved by a majority of the district voters  
13 voting at an election held for that purpose.

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

17 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

18 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER  
19 OBLIGATIONS. The district may issue bonds or other obligations  
20 payable wholly or partly from ad valorem taxes, impact fees,  
21 revenue, contract payments, grants, or other district money, or any  
22 combination of those sources, to pay for any authorized district  
23 purpose.

24 Sec. 7998.202. TAXES FOR BONDS. At the time the district  
25 issues bonds payable wholly or partly from ad valorem taxes, the  
26 board shall provide for the annual imposition of a continuing  
27 direct ad valorem tax, without limit as to rate or amount, while all

1 or part of the bonds are outstanding as required and in the manner  
2 provided by Sections 54.601 and 54.602, Water Code.

3 Sec. 7998.203. BONDS FOR ROAD PROJECTS. At the time of  
4 issuance, the total principal amount of bonds or other obligations  
5 issued or incurred to finance road projects and payable from ad  
6 valorem taxes may not exceed one-fourth of the assessed value of the  
7 real property in the district.

8 SECTION 2. The Harris County Municipal Utility District  
9 No. 554 initially includes all the territory contained in the  
10 following area:

11 Being 95.955 acres of land located in the Harris County  
12 School Land Survey, Abstract 332, Harris County, Texas, more  
13 particularly being all of that certain called 51.210 acre tract  
14 described in the deed from Lenert Investments, LLC to AHTX 3LLC, ET  
15 AL., by an instrument of record in File No. RP-2016-67420, Official  
16 Public Records of Real Property of said Harris County, Texas, same  
17 being a portion of that certain called 44.745 acre tract described  
18 in the deed from Cunningham Interests H, LTD. to Marlon R. Davis, by  
19 an instrument of record File No. 20150025169, Official Public  
20 Records of Harris County, Texas, said 95.955 acres being more  
21 particularly described in two (2) parts by metes and bounds as  
22 follows:

23 TRACT ONE

24 BEING a 51.210 acre tract of land situated in the Harris  
25 County School Land Survey A-332, being part of Lot 11 and Lot 12,  
26 Section 9, Harris County, Texas, all of a call 38.516 acre tract of  
27 land described by deed dated August 21, 2014. to Colt David Haack

1 and wife, Annette D. Haack, recorded under Film Code  
2 No. 060-65-2281 of the Official Public Records of Real Property of  
3 Harris County, Texas and all of a call 12.694 acre tract of land  
4 described by deed dated September 11, 2014, to Colt David Haack and  
5 wife, Annette D. Haack, recorded under Film Code No. 061-08-1088 of  
6 the Official Public Records of Real Property of Harris County,  
7 Texas said 38.516 acres and 12.694 acres being part of a call 70.801  
8 acre tract of land described by deed dated November 3, 1999, to A.  
9 J. Foyt, Jr., recorded under Clerk's File No. U071611, Official  
10 Public Records of Real Property of Harris County, Texas, said  
11 51.210 acres being more particularly described by metes and bounds  
12 as follows:

13 BEGINNING at a 3/4 inch iron pipe found for the northeast  
14 corner of a call 30.213 acre tract of land described by deed dated  
15 May 6, 1998, now or formerly, Benjamin F. Pacleb and wife, Janice T.  
16 Pacleb, recorded under Clerk's File No. T055052, Official Public  
17 Records of Real Property Harris County, Texas, the southeast corner  
18 of the original call 70.801 acre tract of land same being the  
19 southeast corner of the call 38.516 acre tract of land for the POINT  
20 OF BEGINNING and southeast corner of the herein described tract;

21 THENCE North 89 degrees 29 minutes 55 seconds West, along the  
22 north line of the call 30.213 acre tract of land, the north line of  
23 an original call 76.16 acre tract of land described by deed dated  
24 March 10, 1994, now or formerly, Randall L. Weaver and Dana M.  
25 Weaver, recorded under Clerk's File No. P763344, Official Public  
26 Records of Real Property Harris County, Texas, the north line of a  
27 call 20.00 acre tract of land described by deed dated May 20, 1996,



1 now or formerly, Xavier A. Cantu et al., recorded under Clerk's File  
2 No. R939784, Official Public Records of Real Property Harris  
3 County, Texas, the north line of a call 7.00 acre tract of land  
4 described by deed dated May 9, 1996, now or formerly, Jimmy Cantu.  
5 And Ruth Cantu, recorded under Clerk's File No. R924594, Official  
6 Public Records of Real Property Harris County, Texas, the north  
7 line of a call 15.39 acre tract of land, more or less, described by  
8 deed dated September 16, 1994, now or formerly, Xavier A. Cantu and  
9 Ruby Cantu, recorded under Clerk's File No. R074840, Official  
10 Public Records of Real Property Harris County, Texas, a portion of  
11 the north line of a call 12.8855 acre tract of land designated as  
12 Tract 1 by deed dated May 21, 1983, now or formerly, O. D. Hakemack,  
13 recorded under Clerk's File No. H995356, Official Public Records of  
14 Real Property Harris County, Texas, a distance of 2289.79 feet to  
15 the lower southwest corner of the call 38.516 acre tract of land for  
16 the lower southwest corner of the herein described tract, from  
17 which a 1 /2 inch rod found with a plastic identification cap bears  
18 South 0.15 feet;

19       THENCE North 00 degrees 16 minutes 03 seconds East, a  
20 distance of 315.37 feet to a 1/2 inch iron rod found with a plastic  
21 identification cap stamped C & C Surveying for an apparent  
22 northeast corner of a tract of land described by deed dated December  
23 20, 1942, now or formerly, Oscar A. Huenefeld, recorded in Volume  
24 1269, Page 349, Deed Records Harris County, Texas, for an interior  
25 corner of the herein described tract;

26       THENCE North 89 degrees 25 minutes 37 seconds West, a  
27 distance of 558.60 feet to a 1/2 inch iron rod found with a plastic

1 identification cap in the east line of Stokes Road, the upper  
2 southwest corner of the call 70.801 acre tract of land for the upper  
3 southwest corner of the herein described tract;

4       THENCE North 00 degrees 13 minutes 28 seconds East, along the  
5 east line of Stokes Road, at 335.11 feet pass a 1/2 inch iron rod  
6 found with a plastic identification cap for the northwest corner of  
7 the call 38.516 acre tract of land, the southwest corner of the call  
8 12.694 acre tract of land, continuing a total distance of 564.66  
9 feet to a 1/2 inch iron rod found with a plastic identification cap  
10 for the northwest corner of the call 12.694 acre tract of land for  
11 the northwest corner of the herein described tract;

12       THENCE South 88 degrees 24 minutes 04 seconds East, leaving  
13 the east line of Stokes Road, a distance of 528.09 feet to a 1/2 inch  
14 iron rod found with a plastic identification cap at a fence corner  
15 post for an angle point of the call 12.694 acre tract of land for an  
16 angle point of the herein described tract;

17       THENCE North 87 degrees 52 minutes 42 seconds East, generally  
18 along a fence line, a distance of 1684.07 feet to a 1/2 inch iron rod  
19 found with a plastic identification cap at a fence corner post for  
20 the northeast corner of the call 12.694 acre tract of land for the  
21 upper northeast corner of the herein described tract;

22       THENCE South 00 degrees 16 minutes 22 seconds East, generally  
23 along a fence line, a distance of 296.53 feet to a 1/2 inch iron rod  
24 found with a plastic identification cap at a fence corner post in  
25 the north line of the call 38.516 acre tract of land for the  
26 southeast corner of the call 12.694 acre tract of land for an  
27 interior corner of the herein described tract;

1           THENCE South 89 degrees 29 minutes 55 seconds East, generally  
2 along a fence line, along a portion of the north line of the call  
3 38.516 acre tract of land, at 628.76 feet pass a fence corner post,  
4 continuing a total distance of 633.26 feet to a 1/2 inch iron rod  
5 found with a plastic identification cap in a north-south fence line  
6 for the northeast corner of the call 38.516 acre tract of land for  
7 the lower northeast corner of the herein described tract;

8           THENCE South 00 degrees 04 minutes 35 seconds West (bearing  
9 basis), along a portion of the east line of the call 38.516 acre  
10 tract of land, a distance of 651.19 feet to the POINT OF BEGINNING,  
11 containing within these metes and bounds a 51.210 acre tract of  
12 land, more or less, as surveyed by Robert McCay, Registered  
13 Professional Land Surveyor No. 4509, September 26, 2014.

14           TRACT TWO

15           All that certain tract or parcel containing 44.7455 acres of  
16 land out of that certain 81.0465 acre tract of land situated in the  
17 Harris County School Land Survey, A-332 in Harris County, Texas,  
18 said 31.0465 acre tract being that same tract of land as described  
19 in a deed filed for record under Harris County Clerk's File  
20 No. 20130626732, said 44.7455 acre tract- of land being more  
21 particularly described by metes and bounds as follows:

22           COMMENCING at a 5/8" iron rod with Tony P. Swonke RPLS 4767  
23 cap (found) in the West right-of-way line of Binford Road, (60.00  
24 feet in width), marking the Southeast corner of that certain call  
25 29.971 acre tract of land as described in a deed filed for record  
26 under Harris County Clerk's File No. 20100221984 and the Northeast  
27 corner of that certain call 139.81 acre tract of land as described

1 in a deed filed for record under Harris County Clerk's file  
2 No. 20130178495;

3       THENCE S 00°47'37" E, a distance of 1,623.78 feet along the  
4 west right-of-way line of said Binford Road and the East line of  
5 said 139.81 acre tract of land to a 5/8" iron rod with Tony P. Swonke  
6 RPLS 4767 cap (found) marking the Southeast corner of said 139.81  
7 acre tract of land, the Northeast corner of said 81.0465 acre tract  
8 of land and the Northeast corner and POINT OF BEGINNING of the  
9 herein described 44.7455 acre tract of land;

10       THENCE S 02°48'43" E, a distance of 1,188.19 feet along the  
11 West right-of-way line of said Binford Road and the East line of  
12 said 81.0465 acre tract of land to a 5/8" iron rod with EIC cap  
13 (found) marking the northeast corner of a 43.9932 acre remainder of  
14 that certain call 522.223 acre tract of land as described in a deed  
15 filed for record under Harris County Clerk's File No. 20080314221,  
16 and the Easterly-Southeast corner of said 81.0465 acre tract of  
17 land and the Southeast corner of the herein described 44.7455 acre  
18 tract of land;

19       THENCE S 86°55'14" W, a distance of 939.31 feet along the  
20 common line of said 49.9932 acre remainder tract and said 81.0465  
21 acre tract of land to a 5/8" iron rod with EIC cap (found) for angle  
22 point;

23       THENCE S 89°41-55" W, a distance of 653.87 feet along the  
24 common line of said 49.9932 acre remainder tract and said 81.0465  
25 acre tract of land to a 5/8" iron rod with EIC cap (found) marking  
26 the Northwest corner of said 49.9932 acre remainder tract, an  
27 interior corner of said 81.0465 acre tract of land and the Southwest

1 corner of the herein described 44.7455 acre tract of land;

2           THENCE N 01°50'36" W, a distance of 1,285.12 feet to a 5/8"  
3 iron rod with EIC cap (set) in the South line of said 139.81 acre  
4 tract of land and the North line of said 81.0465 acre tract of land  
5 marking Northwest corner of the herein described 44.7455 acre tract  
6 of land;

7           THENCE N 89°56'03" E, a distance of 1,573.03 feet along the  
8 common line of said 139.81 acre and said 81.0485 acre tracts of land  
9 to the POINT OF BEGINNING and containing 44.7455 acres of land.

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

17           (b) The governor, one of the required recipients, has  
18 submitted the notice and Act to the Texas Commission on  
19 Environmental Quality.

20           (c) The Texas Commission on Environmental Quality has filed  
21 its recommendations relating to this Act with the governor, the  
22 lieutenant governor, and the speaker of the house of  
23 representatives within the required time.

24           (d) All requirements of the constitution and laws of this  
25 state and the rules and procedures of the legislature with respect  
26 to the notice, introduction, and passage of this Act are fulfilled  
27 and accomplished.

1           SECTION 4. (a) If this Act does not receive a two-thirds  
2 vote of all the members elected to each house, Subchapter C, Chapter  
3 7998, Special District Local Laws Code, as added by Section 1 of  
4 this Act, is amended by adding Section 7998.106 to read as follows:

5           Sec. 7998.106. NO EMINENT DOMAIN POWER. The district may  
6 not exercise the power of eminent domain.

7           (b) This section is not intended to be an expression of a  
8 legislative interpretation of the requirements of Section 17(c),  
9 Article I, Texas Constitution.

10          SECTION 5. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2017.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4272 was passed by the House on May 9, 2017, by the following vote: Yeas 139, Nays 6, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4272 was passed by the Senate on May 24, 2017, by the following vote: Yeas 30, Nays 1.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor