

1 AN ACT

2 relating to the creation of the Ingleside Municipal Utility
3 District No. 1; providing authority to issue bonds; granting
4 limited power of eminent domain; providing authority to impose
5 assessments, fees, and taxes.

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

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

9 CHAPTER 7998. INGLESIDE MUNICIPAL UTILITY DISTRICT NO. 1

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7998.001. DEFINITIONS. In this chapter:

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

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

15 (3) "Director" means a board member.

16 (4) "District" means the Ingleside Municipal Utility
17 District No. 1.

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

21 Sec. 7998.003. CONFIRMATION AND DIRECTORS' ELECTION
22 REQUIRED. The temporary directors shall hold an election to
23 confirm the creation of the district and to elect five permanent
24 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) Richard Dupriest;

10 (2) Raymond F. Wetegrove;

11 (3) Joseph M. Wetegrove;

12 (4) Jane Helm; and

13 (5) Steven Ray.

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 Sec. 7998.106. DIVISION OF DISTRICT. (a) The district may
16 be divided into two or more districts only if:

- 17 (1) the district has no outstanding bonded debt;
18 (2) the district is not imposing ad valorem taxes; and
19 (3) the requirements of Subsection (i), as applicable,
20 are satisfied.

21 (b) This chapter applies to any new district created by the
22 division of the district, and a new district has all the powers and
23 duties of the district.

24 (c) A new district created by the division of the district
25 may not, at the time the new district is created, contain any land
26 outside the area described by Section 2 of the Act enacting this
27 chapter.

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

5 (e) The board may adopt an order dividing the district
6 before or after the date the board holds an election under Section
7 7998.003 to confirm the district's creation.

8 (f) An order dividing the district shall:

9 (1) name the new district;

10 (2) include the metes and bounds of each new district;

11 (3) appoint temporary directors for each new district;

12 and

13 (4) provide for the division of assets and liabilities
14 between the district and each new district.

15 (g) On or before the 30th day after the date of adoption of
16 an order dividing the district, the district shall file the order
17 with the commission and record the order in the real property
18 records of each county in which the district is located.

19 (h) A new district created by the division of the district
20 shall hold a confirmation and directors' election as required by
21 Section 7998.003.

22 (i) If the district is located wholly or partly in the
23 corporate limits or the extraterritorial jurisdiction of a
24 municipality, the district may not divide under this section unless
25 the municipality by resolution or ordinance consents to the
26 division of the district. If the district is not located wholly or
27 partly in the corporate limits or extraterritorial jurisdiction of

1 a municipality, the district may not divide under this section
2 unless the commissioners court of each county in which the district
3 is wholly or partly located first adopts a resolution or order in
4 support of the division of the district.

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

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 7998.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
11 district may issue, without an election, bonds and other
12 obligations secured by revenue other than ad valorem taxes.

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

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

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

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

27 Sec. 7998.153. WATER AND SEWER RATES. Notwithstanding any

1 other law, the district shall establish the same rates for
2 residential and commercial classes of customers for the provision
3 of water and sewer services. For purposes of this section, the
4 commercial class may not include apartment complexes or other
5 multifamily dwellings.

6 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

7 Sec. 7998.201. AUTHORITY TO ISSUE BONDS AND OTHER
8 OBLIGATIONS. The district may issue bonds or other obligations
9 payable wholly or partly from ad valorem taxes, impact fees,
10 revenue, contract payments, grants, or other district money, or any
11 combination of those sources, to pay for any authorized district
12 purpose.

13 Sec. 7998.202. TAXES FOR BONDS. At the time the district
14 issues bonds payable wholly or partly from ad valorem taxes, the
15 board shall provide for the annual imposition of a continuing
16 direct ad valorem tax, without limit as to rate or amount, while all
17 or part of the bonds are outstanding as required and in the manner
18 provided by Sections 54.601 and 54.602, Water Code.

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

24 SECTION 2. The Ingleside Municipal Utility District No. 1
25 initially includes all the territory contained in the following
26 area:

27 Being 625 acres, more or less, out of the Wm McDonough Survey,

1 Abstract 184, the R.S. Williamson Survey, Abstract 283, the Edmond
2 St. John Survey, Abstract 250, the Louis Von Zacharias Survey,
3 Abstract 272, and the John Robinson Survey, Abstract 226, all
4 tracts located in the City of Ingleside, San Patricio County,
5 Texas.

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

13 (b) The governor, one of the required recipients, has
14 submitted the notice and Act to the Texas Commission on
15 Environmental Quality.

16 (c) The Texas Commission on Environmental Quality has filed
17 its recommendations relating to this Act with the governor, the
18 lieutenant governor, and the speaker of the house of
19 representatives within the required time.

20 (d) All requirements of the constitution and laws of this
21 state and the rules and procedures of the legislature with respect
22 to the notice, introduction, and passage of this Act are fulfilled
23 and accomplished.

24 SECTION 4. (a) If this Act does not receive a two-thirds
25 vote of all the members elected to each house, Subchapter C, Chapter
26 7998, Special District Local Laws Code, as added by Section 1 of
27 this Act, is amended by adding Section 7998.107 to read as follows:

1 Sec. 7998.107. NO EMINENT DOMAIN POWER. The district may
2 not exercise the power of eminent domain.

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

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

President of the Senate

Speaker of the House

I certify that H.B. No. 4275 was passed by the House on May 19, 2017, by the following vote: Yeas 137, Nays 7, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4275 was passed by the Senate on May 24, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor