

1 AN ACT

2 relating to the creation of the Willacy County Municipal Utility
3 District No. 1; granting a limited power of eminent domain;
4 providing authority to issue bonds; 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 8014 to read as follows:

9 CHAPTER 8014. WILLACY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 8014.001. 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 Willacy County Municipal
17 Utility District No. 1.

18 Sec. 8014.002. NATURE OF DISTRICT. The district is a
19 municipal utility district created under Section 59, Article XVI,
20 Texas Constitution.

21 Sec. 8014.003. 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. 8014.004. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section 8014.003
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. 8014.005. 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, or improvement of
14 macadamized, graveled, or paved roads described by Section 54.234,
15 Water Code, or improvements, including storm drainage, in aid of
16 those roads.

17 Sec. 8014.006. INITIAL DISTRICT TERRITORY. (a) The
18 district is initially composed of the territory described by
19 Section 2 of the Act enacting this chapter.

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

24 (1) organization, existence, or validity;

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

1 (3) right to impose a tax; or

2 (4) legality or operation.

3 SUBCHAPTER B. BOARD OF DIRECTORS

4 Sec. 8014.051. GOVERNING BODY; TERMS. (a) The district is
5 governed by a board of five elected directors.

6 (b) Except as provided by Section 8014.052, directors serve
7 staggered four-year terms.

8 Sec. 8014.052. TEMPORARY DIRECTORS. (a) The temporary
9 board consists of:

10 (1) Charles E. Wetegrove;

11 (2) Raymond F. Wetegrove;

12 (3) Joseph M. Wetegrove;

13 (4) Fred Ballard; and

14 (5) Craig Childs.

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

16 (1) the date permanent directors are elected under
17 Section 8014.003; or

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

20 (c) If permanent directors have not been elected under
21 Section 8014.003 and the terms of the temporary directors have
22 expired, successor temporary directors shall be appointed or
23 reappointed as provided by Subsection (d) to serve terms that
24 expire on the earlier of:

25 (1) the date permanent directors are elected under
26 Section 8014.003; or

27 (2) the fourth anniversary of the date of the

1 appointment or reappointment.

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

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 8014.101. GENERAL POWERS AND DUTIES. The district has
11 the powers and duties necessary to accomplish the purposes for
12 which the district is created.

13 Sec. 8014.102. MUNICIPAL UTILITY DISTRICT POWERS AND
14 DUTIES. The district has the powers and duties provided by the
15 general law of this state, including Chapters 49 and 54, Water Code,
16 applicable to municipal utility districts created under Section 59,
17 Article XVI, Texas Constitution.

18 Sec. 8014.103. AUTHORITY FOR ROAD PROJECTS. (a) Under
19 Section 52, Article III, Texas Constitution, the district may
20 design, acquire, construct, finance, issue bonds for, improve, and
21 convey to this state, a county, or a municipality for operation and
22 maintenance macadamized, graveled, or paved roads described by
23 Section 54.234, Water Code, or improvements, including storm
24 drainage, in aid of those roads.

25 (b) The district may exercise the powers provided by this
26 section without submitting a petition to or obtaining approval from
27 the commission as required by Section 54.234, Water Code.

1 Sec. 8014.104. APPROVAL OF ROAD PROJECT. (a) The district
2 may not undertake a road project authorized by Section 8014.103
3 unless:

4 (1) each municipality or county that will operate and
5 maintain the road has approved the plans and specifications of the
6 road project, if a municipality or county will operate and maintain
7 the road; or

8 (2) the Texas Transportation Commission has approved
9 the plans and specifications of the road project, if the state will
10 operate and maintain the road.

11 (b) Except as provided by Subsection (a), the district is
12 not required to obtain approval from the Texas Transportation
13 Commission to design, acquire, construct, finance, issue bonds for,
14 improve, or convey a road project.

15 Sec. 8014.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
16 OR RESOLUTION. The district shall comply with all applicable
17 requirements of any ordinance or resolution that is adopted under
18 Section 54.016 or 54.0165, Water Code, and that consents to the
19 creation of the district or to the inclusion of land in the
20 district.

21 Sec. 8014.106. DIVISION OF DISTRICT. (a) The district may
22 be divided into two or more new districts only if:

- 23 (1) the district has no outstanding bonded debt;
24 (2) the district is not imposing ad valorem taxes; and
25 (3) the requirements of Subsection (k) have been met.

26 (b) This chapter applies to any new district created by the
27 division of the district, and a new district has all the powers and

1 duties of the district.

2 (c) Any new district created by the division of the district
3 may not, at the time the new district is created, contain any land
4 outside the area described by Section 2 of the Act creating this
5 chapter.

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

10 (e) The board may adopt an order dividing the district
11 before or after the date the board holds an election under Section
12 8014.003 to confirm the creation of the district.

13 (f) An order dividing the district shall:

14 (1) name each new district;

15 (2) include the metes and bounds description of the
16 territory of each new district;

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

18 and

19 (4) provide for the division of assets and liabilities
20 between or among the new districts.

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

25 (h) Any new district created by the division of the district
26 shall hold a confirmation and directors' election as required by
27 Section 8014.003.

1 (i) If the creation of the new district is confirmed, the
2 new district shall provide the election date and results to the
3 commission.

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

8 (k) If the district is located wholly or partly in the
9 corporate limits or the extraterritorial jurisdiction of a
10 municipality, the district may not divide under this section unless
11 the municipality by resolution or ordinance consents to the
12 division of the district. If the district is not located wholly or
13 partly in the corporate limits or extraterritorial jurisdiction of
14 a municipality, the district may not divide under this section
15 unless the commissioners court of each county in which the district
16 is wholly or partly located adopts a resolution or order consenting
17 to the division of the district.

18 Sec. 8014.107. LIMITATION ON USE OF EMINENT DOMAIN. The
19 district may not exercise the power of eminent domain outside the
20 district to acquire a site or easement for:

- 21 (1) a road project authorized by Section 8014.103; or
22 (2) a recreational facility as defined by Section
23 49.462, Water Code.

24 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

25 Sec. 8014.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
26 district may issue, without an election, bonds and other
27 obligations secured by revenue other than ad valorem taxes.

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

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

9 Sec. 8014.152. OPERATION AND MAINTENANCE TAX. (a) If
10 authorized at an election held under Section 8014.151, the district
11 may impose an operation and maintenance tax on taxable property in
12 the district in accordance with Section 49.107, Water Code.

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

15 Sec. 8014.153. WATER AND SEWER RATES. Notwithstanding any
16 other law, the district shall establish the same rates for
17 residential and commercial classes of customers for the provision
18 of water and sewer services. For purposes of this section, the
19 commercial class may not include apartment complexes or other
20 multifamily dwellings.

21 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

22 Sec. 8014.201. AUTHORITY TO ISSUE BONDS AND OTHER
23 OBLIGATIONS. The district may issue bonds or other obligations
24 payable wholly or partly from ad valorem taxes, impact fees,
25 revenue, contract payments, grants, or other district money, or any
26 combination of those sources, to pay for any authorized district
27 purpose.

1 Sec. 8014.202. TAXES FOR BONDS. At the time the district
2 issues bonds payable wholly or partly from ad valorem taxes, the
3 board shall provide for the annual imposition of a continuing
4 direct ad valorem tax, without limit as to rate or amount, while all
5 or part of the bonds are outstanding as required and in the manner
6 provided by Sections 54.601 and 54.602, Water Code.

7 Sec. 8014.203. BONDS FOR ROAD PROJECTS. At the time of
8 issuance, the total principal amount of bonds or other obligations
9 issued or incurred to finance road projects and payable from ad
10 valorem taxes may not exceed one-fourth of the assessed value of the
11 real property in the district.

12 SECTION 2. The Willacy County Municipal Utility District
13 No. 1 initially includes all the territory contained in the
14 following area:

15 Tracts 1, 2, 3, 4, & 5, Raymond Estate Reserve out of Share
16 Number 36, San Juan de Carricitos Grant, recorded in Volume 274,
17 Pages 106, Official Records, Willacy County, Texas, containing
18 501.42 acres gross and 497.71 acres net.

19 SECTION 3. (a) The legal notice of the intention to
20 introduce this Act, setting forth the general substance of this
21 Act, has been published as provided by law, and the notice and a
22 copy of this Act have been furnished to all persons, agencies,
23 officials, or entities to which they are required to be furnished
24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
25 Government Code.

26 (b) The governor, one of the required recipients, has
27 submitted the notice and Act to the Texas Commission on

1 Environmental Quality.

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

6 (d) All requirements of the constitution and laws of this
7 state and the rules and procedures of the legislature with respect
8 to the notice, introduction, and passage of this Act are fulfilled
9 and accomplished.

10 SECTION 4. (a) Section 8014.107, Special District Local
11 Laws Code, as added by Section 1 of this Act, takes effect only if
12 this Act receives a two-thirds vote of all the members elected to
13 each house.

14 (b) If this Act does not receive a two-thirds vote of all the
15 members elected to each house, Subchapter C, Chapter 8014, Special
16 District Local Laws Code, as added by Section 1 of this Act, is
17 amended by adding Section 8014.107 to read as follows:

18 Sec. 8014.107. NO EMINENT DOMAIN POWER. The district may
19 not exercise the power of eminent domain.

20 (c) This section is not intended to be an expression of a
21 legislative interpretation of the requirements of Section 17(c),
22 Article I, Texas Constitution.

23 SECTION 5. This Act takes effect June 1, 2017, if it
24 receives a vote of two-thirds of all the members elected to each
25 house, as provided by Section 39, Article III, Texas Constitution.
26 If this Act does not receive the vote necessary for effect on that
27 date, this Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 4335 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. 4335 was passed by the Senate on May 24, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor