

AN ACT

relating to the creation of the Harris County Municipal Utility District No. 555; 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 7999 to read as follows:

CHAPTER 7999. HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 555

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7999.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Baytown.

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

(4) "Director" means a board member.

(5) "District" means the Harris County Municipal Utility District No. 555.

Sec. 7999.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7999.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 7999.004. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section 7999.003
4 until each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has:

6 (1) consented by ordinance or resolution to the
7 creation of the district and to the inclusion of land in the
8 district; and

9 (2) entered into a development agreement with the
10 owner or owners of the real property within the district regarding
11 the municipality's requirements for developing or improving the
12 land.

13 Sec. 7999.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

14 (a) The district is created to serve a public purpose and benefit.

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

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

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

22 Sec. 7999.006. INITIAL DISTRICT TERRITORY. (a) The
23 district is initially composed of the territory described by
24 Section 2 of the Act enacting this chapter.

25 (b) The boundaries and field notes contained in Section 2 of
26 the Act enacting this chapter form a closure. A mistake made in the
27 field notes or in copying the field notes in the legislative process

1 does not affect the district's:

2 (1) organization, existence, or validity;

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

6 (3) right to impose a tax; or

7 (4) legality or operation.

8 SUBCHAPTER B. BOARD OF DIRECTORS

9 Sec. 7999.051. GOVERNING BODY; TERMS. (a) The district is
10 governed by a board of five elected directors.

11 (b) Except as provided by Section 7999.052, directors serve
12 staggered four-year terms.

13 Sec. 7999.052. TEMPORARY DIRECTORS. (a) On or after
14 September 1, 2017, the owner or owners of a majority of the assessed
15 value of the real property in the district may submit a petition to
16 the commission requesting that the commission appoint as temporary
17 directors the five persons named in the petition. The commission
18 shall appoint as temporary directors the five persons named in the
19 petition.

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

21 (1) the date permanent directors are elected under
22 Section 7999.003; or

23 (2) September 1, 2021.

24 (c) If permanent directors have not been elected under
25 Section 7999.003 and the terms of the temporary directors have
26 expired, successor temporary directors shall be appointed or
27 reappointed as provided by Subsection (d) to serve terms that

1 expire on the earlier of:

2 (1) the date permanent directors are elected under
3 Section 7999.003; or

4 (2) the fourth anniversary of the date of the
5 appointment or reappointment.

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

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 7999.101. GENERAL POWERS AND DUTIES. The district has
15 the powers and duties necessary to accomplish the purposes for
16 which the district is created.

17 Sec. 7999.102. MUNICIPAL UTILITY DISTRICT POWERS AND
18 DUTIES. The district has the powers and duties provided by the
19 general law of this state, including Chapters 49 and 54, Water Code,
20 applicable to municipal utility districts created under Section 59,
21 Article XVI, Texas Constitution.

22 Sec. 7999.103. AUTHORITY FOR ROAD PROJECTS. Under Section
23 52, Article III, Texas Constitution, the district may design,
24 acquire, construct, finance, issue bonds for, improve, operate,
25 maintain, and convey to this state, a county, or a municipality for
26 operation and maintenance macadamized, graveled, or paved roads, or
27 improvements, including storm drainage, in aid of those roads.

1 Sec. 7999.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
2 road project must meet all applicable construction standards,
3 zoning and subdivision requirements, and regulations of each
4 municipality in whose corporate limits or extraterritorial
5 jurisdiction the road project is located.

6 (b) If a road project is not located in the corporate limits
7 or extraterritorial jurisdiction of a municipality, the road
8 project must meet all applicable construction standards,
9 subdivision requirements, and regulations of each county in which
10 the road project is located.

11 (c) If the state will maintain and operate the road, the
12 Texas Transportation Commission must approve the plans and
13 specifications of the road project.

14 Sec. 7999.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
15 OR RESOLUTION. The district shall comply with all applicable
16 requirements of any ordinance or resolution that is adopted under
17 Section 54.016 or 54.0165, Water Code, and that consents to the
18 creation of the district or to the inclusion of land in the
19 district.

20 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

21 Sec. 7999.151. ELECTIONS REGARDING TAXES OR BONDS.

22 (a) The district may issue, without an election, bonds and other
23 obligations secured by:

24 (1) revenue other than ad valorem taxes; or

25 (2) contract payments described by Section 7999.153.

26 (b) The district must hold an election in the manner
27 provided by Chapters 49 and 54, Water Code, to obtain voter approval

1 before the district may impose an ad valorem tax or issue bonds
2 payable from ad valorem taxes.

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

7 Sec. 7999.152. OPERATION AND MAINTENANCE TAX. (a) If
8 authorized at an election held under Section 7999.151, the district
9 may impose an operation and maintenance tax on taxable property in
10 the district in accordance with Section 49.107, Water Code.

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

13 Sec. 7999.153. CONTRACT TAXES. (a) In accordance with
14 Section 49.108, Water Code, the district may impose a tax other than
15 an operation and maintenance tax and use the revenue derived from
16 the tax to make payments under a contract after the provisions of
17 the contract have been approved by a majority of the district voters
18 voting at an election held for that purpose.

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

22 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

23 Sec. 7999.201. AUTHORITY TO ISSUE BONDS AND OTHER
24 OBLIGATIONS. The district may issue bonds or other obligations
25 payable wholly or partly from ad valorem taxes, impact fees,
26 revenue, contract payments, grants, or other district money, or any
27 combination of those sources, to pay for any authorized district

1 purpose.

2 Sec. 7999.202. TAXES FOR BONDS. At the time the district
3 issues bonds payable wholly or partly from ad valorem taxes, the
4 board shall provide for the annual imposition of a continuing
5 direct ad valorem tax, without limit as to rate or amount, while all
6 or part of the bonds are outstanding as required and in the manner
7 provided by Sections 54.601 and 54.602, Water Code.

8 Sec. 7999.203. BONDS FOR ROAD PROJECTS. At the time of
9 issuance, the total principal amount of bonds or other obligations
10 issued or incurred to finance road projects and payable from ad
11 valorem taxes may not exceed one-fourth of the assessed value of the
12 real property in the district.

13 SUBCHAPTER F. ANNEXATION BY CITY

14 Sec. 7999.251. EFFECT OF ANNEXATION BY CITY.

15 (a) Notwithstanding any other law, if all of the territory of the
16 district is annexed by the city into the corporate limits of the
17 city before the date of the election held to confirm the creation of
18 the district and the district is confirmed at that election, the
19 district may not be dissolved and continues in existence.

20 (b) Notwithstanding Section 54.016(f)(2), Water Code, an
21 allocation agreement between the city and the district that
22 provides for the allocation of the taxes or revenues of the district
23 and the city following the date of inclusion of all the district's
24 territory in the corporate limits of the city may provide that the
25 total annual ad valorem taxes collected by the city and the district
26 from taxable property in the district may exceed the city's ad
27 valorem tax on that property.

1 SECTION 2. The Harris County Municipal Utility District No.
2 555 initially includes all the territory contained in the following
3 area:

4 Being a tract of land containing 119.398 Acres of land
5 situated in the George Ellis League, Abstract No. 21, Harris
6 County, Texas and being out a called 214.397 described in Vol. 7038
7 Page 45 Harris County Deed of Records (H.C.D.R.) and all of a called
8 119.7776 acre tract conveyed to Anthony Lee Polumbo and Wife
9 Carolyn Adams-Polumbo by deed recorded under Harris County Clerks
10 File (H.C.C.F.) number V074141. Said 119.398 acre tract being more
11 particularly described as following (Bearings are oriented to the
12 bearing base reflected in said deed recorded under H.C.C.F. Number
13 V074141):

14 COMMENCING at a found 1/2 inch iron rod found in the southerly
15 right of way (R.O.W.) line at F.M. 1942 marking the northeast corner
16 of said 214.397 acre tract and the northeast corner of a called 6.40
17 acre tract conveyed to Joaquin Garcia by deed recorded under
18 H.C.C.F. Number T898933;

19 THENCE S 80°25'00" W along the south R.O.W. line of said F.M.
20 1942, a distance of 109.00 feet to a 5/8 inch iron rod found marking
21 the northeast corner of said 6.40 acre tract the POINT OF BEGINNING
22 and the northeast corner of the herein described tract;

23 THENCE S 09°29'00" E departing said F.M. 1942 and along the
24 west line of said 6.40 acre tract a distance of 2557.34 feet to a 5/8
25 inch iron rod set in the north line of that certain tract conveyed
26 to Malcom Brown by deed recording in Vol. 1708, Pg. 203, H.C.D.R.
27 and marking the southeast corner of the herein described tract;

1 THENCE S 80°47'00" W along the north line of said Brown tract,
2 the north line of a called 14.04 acre tract conveyed to Word of
3 Faith Fellowship Church by deed recorded under H.C.C.F. Number
4 U757159, a distance of 2845.90 feet to a found 1/2 inch iron rod in
5 the southeasterly R.O.W. line of a called 18.668 acre Coastal
6 Industrial Water Authority tract described in H.C.C.F. Number
7 D282570 said point marking the southwest corner of the herein
8 described tract;

9 THENCE N 28°34'52" E along the west R.O.W. line of said 18.668
10 acre tract a distance of 1483.38 feet to a set 5/8" iron rod marking
11 a point for curvature to the left;

12 THENCE, northeasterly along the easterly R.O.W. line of said
13 Coast Industrial Water Authority and said curve to the left, having
14 a radius of 1000 feet, an arc length of 609.91 feet, a central angle
15 of 34°56'43" and a chord bearing a distance of N 11°06'31", 600.50
16 feet to a set 5/8" iron rod marking a point of tangency;

17 THENCE N 06°21'51" W continuing along the east R.O.W. line of
18 said Coastal Industrial Water Authority a distance of 732.40 feet
19 to an angle point from which a found 5/8 inch iron rod bears N 87°13'
20 E a distance of 1.41 feet;

21 THENCE N 21°35'21" E continuing along the east R.O.W. line of
22 said Coastal Industrial Water Authority a distance of 124.90 feet
23 to a point in the south R.O.W. of said F.M. 1942, from which a found
24 5/8 inch iron rod bears S 77°13' E, 1.55 feet;

25 THENCE N 83°38'16" E, departing said Coastal Industrial Water
26 Authority and along said south R.O.W. line of F.M. 1942, a distance
27 of 399.37 feet to a point for curvature to the left, from which a

1 found 5/8 inch iron rod bears N 31°58' W, 2.22 Feet;

2 THENCE in a northeasterly direction with said curve to the
3 left having a central angle of 03°13'16", a radius of 2914.93 feet,
4 an arc length of 163.87 feet, a chord bearing of N 82°01'38" E and a
5 chord distance of 163.85 feet to a point of tangency from which a
6 found 5/8 inch iron rod bears N 24°23' W, 1.87 feet;

7 THENCE N 80°25'00" E, continuing along the south R.O.W. of
8 F.M. 1942, a distance of 1053.21 feet to the POINT OF BEGINNING and
9 containing 119.398 acres of land.

10 SAVE AND EXCEPT the following described portion of said
11 119.398 acre tract:

12 (SAVE AND EXCEPT TRACT):

13 Being a tract of land containing 0.0729 acres (3,175 square
14 feet) situated in the George Ellis League, A-21 in Harris County,
15 Texas, and also being out of a 119.7776-acre tract from Two Fourteen
16 LTD., to Anthony Lee Polumbo and wife, Carolyn Adams-Polumbo by
17 deed dated May 24, 2001 as recorded under County Clerk's File No.
18 V074141, Film Code No. 540-37-0998 of the Official Public Records
19 of Harris County, Texas. Said 0.0729-acre tract being more
20 particularly described by metes and bounds as follows:

21 Note: The bearings referenced herein are based on the
22 119.7776-acre tract as recorded under County Clerk's File No.
23 V074141, Film Code No. 540-37-0998 of the Official Public Records
24 of Real Property of Harris County, Texas.

25 BEGINNING at a found 1/2-inch iron rod located at the
26 intersection of the south right-of-way line of Barbers Hill Road
27 (F.M. 1942) (100 feet wide) as conveyed unto the State of Texas by

1 the following deeds: Volume 4101, Page 586 of the Deed Records of
2 Harris County, Texas, County Clerk's File No. B328808, Film Code
3 No. 051-19-0916, File No. B357094, Film Code No. 061-11-0735 of the
4 Official Public Records of Real Property of Harris County, Texas,
5 and the east Canal line of an 18.67-acre tract as conveyed unto
6 Coastal Industrial Water Authority by deed recorded under County
7 Clerk's File No. D282570, Film Code No. 126-26-1855 of the Official
8 Public Records of Real Property of Harris County, Texas, for the
9 northwest corner of said 119.7776-acre tract and for northwest
10 corner of said tract herein described;

11 THENCE North 83°19'01" East with the south right-of-way line
12 of said Barbers Hill Road and the north line of said 119.7776-acre
13 tract, a distance of 50.00 feet to a set 5/8-inch iron rod with cap
14 stamped "Cobb, Fendley & Associates" for the northeast corner of
15 said tract herein described;

16 THENCE South 06°40'59" East, a distance of 50.00 feet to a set
17 5/8-inch iron rod with cap stamp "Cobb, Fendley & Associates" for
18 the southeast corner of said tract herein described;

19 THENCE South 83°19'01" West, a distance of 76.99 feet to a set
20 5/8-inch iron rod with cap stamped "Cobb, Fendley & Associates"
21 located in the east line of said 18.67-acre tract and the west line
22 of said 119.7776-acre tract for the southwest corner of said tract
23 herein described;

24 THENCE North 21°40'31" East with the east line of said
25 18.67-acre tract and the west line of said 119.7776-acre tract, a
26 distance of 56.82 feet to the POINT OF BEGINNING and containing
27 0.0729 acres (3,175 square feet) of land, more or less.

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

8 (b) The governor, one of the required recipients, has
9 submitted the notice and Act to the Texas Commission on
10 Environmental Quality.

11 (c) The Texas Commission on Environmental Quality has filed
12 its recommendations relating to this Act with the governor, the
13 lieutenant governor, and the speaker of the house of
14 representatives within the required time.

15 (d) All requirements of the constitution and laws of this
16 state and the rules and procedures of the legislature with respect
17 to the notice, introduction, and passage of this Act are fulfilled
18 and accomplished.

19 SECTION 4. (a) If this Act does not receive a two-thirds
20 vote of all the members elected to each house, Subchapter C, Chapter
21 7999, Special District Local Laws Code, as added by Section 1 of
22 this Act, is amended by adding Section 7999.106 to read as follows:

23 Sec. 7999.106. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

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

1 SECTION 5. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 2267 passed the Senate on May 4, 2017, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 2267 passed the House on May 24, 2017, by the following vote: Yeas 139, Nays 7, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor