

By: Nevárez

H.B. No. 1402

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Coates Ranch Municipal Utility District No. 1; 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 8373 to read as follows:

CHAPTER 8373. COATES RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8373.001. 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 Coates Ranch Municipal Utility District No. 1.

Sec. 8373.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8373.003. 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.

Sec. 8373.004. CONSENT OF MUNICIPALITY REQUIRED. The

temporary directors may not hold an election under Section 8373.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8373.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, or improvement of macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

Sec. 8373.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

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

(3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 8373.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 8373.052, directors serve  
6 staggered four-year terms.

7           Sec. 8373.052. TEMPORARY DIRECTORS. (a) The temporary  
8 board consists of:

9                   (1) Hugh Coates;

10                  (2) Dennette Coates; and

11                  (3) Greg Leach.

12           (b) On or after the effective date of the Act enacting this  
13 chapter, the owner or owners of a majority of the assessed value of  
14 the real property in the district may submit a petition to the  
15 commission requesting that the commission appoint as temporary  
16 directors the three persons named in the petition. The commission  
17 shall appoint as temporary directors the three persons named in the  
18 petition.

19           (c) Temporary directors serve until the earlier of:

20                   (1) the date permanent directors are elected under  
21 Section 8373.003; or

22                   (2) the fourth anniversary of the effective date of  
23 the Act enacting this chapter.

24           (d) If permanent directors have not been elected under  
25 Section 8373.003 and the terms of the temporary directors have  
26 expired, successor temporary directors shall be appointed or  
27 reappointed as provided by Subsection (e) to serve terms that

expire on the earlier of:

(1) the date permanent directors are elected under Section 8373.003; or

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

(e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the persons named in the petition. The commission shall appoint as successor temporary directors the persons named in the petition.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 8373.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8373.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8373.103. AUTHORITY FOR ROAD PROJECTS. (a) Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads described by Section 54.234, Water Code, or improvements, including storm drainage, in aid of those roads.

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

4       Sec. 8373.104. APPROVAL OF ROAD PROJECT. (a) The district  
5 may not undertake a road project authorized by Section 8373.103  
6 unless:

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

11          (2) the Texas Transportation Commission has approved  
12 the plans and specifications of the road project, if the state will  
13 operate and maintain the road.

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

18       Sec. 8373.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
19 OR RESOLUTION. The district shall comply with all applicable  
20 requirements of any ordinance or resolution that is adopted under  
21 Section 54.016 or 54.0165, Water Code, and that consents to the  
22 creation of the district or to the inclusion of land in the  
23 district.

24       Sec. 8373.106. NO EMINENT DOMAIN POWER. The district may  
25 not exercise the power of eminent domain.

26           SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27       Sec. 8373.151. ELECTIONS REGARDING TAXES OR BONDS.

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

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

4 (2) contract payments described by Section 8373.153.

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

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

13 Sec. 8373.152. OPERATION AND MAINTENANCE TAX. (a) If  
14 authorized at an election held under Section 8373.151, the district  
15 may impose an operation and maintenance tax on taxable property in  
16 the district in accordance with Section 49.107, Water Code.

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

19 Sec. 8373.153. CONTRACT TAXES. (a) In accordance with  
20 Section 49.108, Water Code, the district may impose a tax other than  
21 an operation and maintenance tax and use the revenue derived from  
22 the tax to make payments under a contract after the provisions of  
23 the contract have been approved by a majority of the district voters  
24 voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8373.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8373.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections [54.601](#) and [54.602](#), Water Code.

Sec. 8373.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. The Coates Ranch Municipal Utility District No. 1 initially includes all the territory contained in the following area:

Tract I:

Said 921.8551 acres of land lying and being situated in Kinney County, Texas; about seven miles N 21° W of the City of Brackettville, the County Seat; containing acreages in the various Surveys, as follows:





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1           N 42° 02' 32" E 991.47 ft. to a large creosoted post in  
2 concrete, for corner;

3           N 54° 31' 40" E, crossing the northeast line of said Sur.  
4 No. 3, the southwest line of said Sur. No. 524, 1053.77 ft. to a  
5 large creosoted post in concrete, for corner; and

6           THENCE S 59° 19' 30" E 221.71 ft. to a 5/8" Steel Pin found in  
7 fence; for the South corner of the S.E. terminal of said road  
8 easement, and a re-entrant corner of this tract;

9           THENCE continuing with the northwest side of this tract, with  
10 fence and 5/8" Steel Pins found at fence corner posts, for corners,  
11 as follows:

12           N 29° 52' 14" E, at 40.00 ft. pass a point for the North  
13 corner of the S.E. terminal of said road easement; total 1722.04  
14 ft.;

15           N 40° 30' 16" E 1529.27 ft.;

16           N 14° 50' 33" W, crossing the northwest line of said Sur.  
17 No. 524, the southeast line of said Sur. No. 268, 1560.55 ft.; and

18           THENCE N 33° 53' 54" E 131.42 ft. to a 5/8" Steel Pin found at a  
19 fence corner post, in the northeast line of said Sur. No. 268, the  
20 southwest line of Sur. No. 2, I. & G.N. R.R. Co., Blk. 6; for the  
21 Northernmost corner of this tract;

22           THENCE with fence, along the southwest line of said Sur. No.  
23 2, the northeast lines of Sur. Nos. 268, 524, and 523, respectively,  
24 and along a northeast side of this tract, S 58° 47' 22" E 4337.16 ft.  
25 to a 5/8" Steel Pin, found at a fence corner post in the west line of  
26 Sur. No. 8, I. & G.N. R.R. Co., Blk. 6; for a South corner of said  
27 Sur. No. 2, the N.E. corner of said Sur. No. 523, and the N.E. corner

1 of this tract;

2       THENCE with fence and the west line of said Sur. No. 8, along  
3 the east line of said Sur. No. 523 and an east side of this tract, S  
4 00° 25' 19" W 2398.89 ft. to a 5/8" Steel Pin, found at a fence corner  
5 post, for the E.S.E. corner of this tract;

6       THENCE leaving said Survey line, and with fence along a  
7 southeast side of this tract, as follows:

8           N 89° 06' 42" W 1058.11 ft. to a 5/8" Steel Pin set at a  
9 fence corner post, for corner;

10          S 80° 43' 46" W 478.65 ft. to a 1" Steel Pin found under  
11 fence, for corner;

12          S 80° 31' 20" W 659.66 ft. to a 5/8" Steel Pin set at a  
13 fence corner post, for corner;

14          S 83° 54' 33" W 882.17 ft. to a 3/4" Steel Pin found at a  
15 fence corner post, for an East re-entrant corner;

16          S 10° 48' 00" E 736.67 ft. to a 3/4" Steel Pin found near  
17 a 3-way fence corner post, for corner;

18          S 82° 17' 14" E 76.27 ft. to a 3/4" Steel Pin found near a  
19 3-way fence corner post, for corner;

20          S 42° 54' 05" W 468.96 ft. to a 3/4" Steel Pin found at a  
21 fence corner post, for corner;

22          S 00° 05' 29" E 81.77 ft. to a 5/8" Steel Pin set at a  
23 large dead Elm tree stump fence corner, for corner;

24          S 12° 51' 33" E, crossing Elm Creek, 63.57 ft. to a 5/8"  
25 Steel Pin set at a 10" Elm tree fence corner;

26          S 07° 47' 12" W 215.66 ft. to a 5/8" Steel Pin set at a  
27 north gate post, for corner;

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1           S 68° 06' 02" W, crossing private pasture road, 15.17 ft.  
2 to a 5/8" Steel Pin set at a south gate post, for corner;

3           S 21° 59' 21" W 110.37 ft. to a 1" Steel Pin, found at a  
4 fence corner post in the southwest line of said Sur. No. 523, the  
5 northeast line of Sur. No. 518, J. Herzing; for a middle S.E. corner  
6 of this tract;

7           THENCE continuing, and with said Survey line, N 58° 08' 12" W  
8 136.75 ft. to a 5/8" Steel Pin found at a fence corner post, for the  
9 North corner of said Sur. No. 518, the East corner of said Sur. No.  
10 517, and a re-entrant corner of this tract;

11           THENCE with fence and the northwest line of said Sur. No. 518,  
12 the southeast line of said Sur. No. 517, along a southeast side of  
13 this tract, S 32° 40' 56" W 5967.46 ft. to a 5/8" Steel Pin found at a  
14 3-way fence corner, in the northeast line of Sur. No. 410, Ben S.  
15 Jones; for the West corner of said Sur. No. 518, the South corner of  
16 said Sur. No. 517, and the Southernmost corner of this tract;

17           THENCE with fence and the northeast line of said Sur. No. 410,  
18 the southwest line of said Sur. No. 517, along a southwest side of  
19 this tract, N 58° 01' 13" W, crossing Elm Creek, 3612.76 ft. to the  
20 place of BEGINNING;

21           and property:

22 TRACT A:

23 BEING 680.0186 acres of land, more or less, lying and being situated  
24 in Kinney County, Texas, about seven miles N 21° W of Brackettville,  
25 the County Seat, containing acreage in various Surveys, as follows:

	<u>Sur. No.</u>	<u>Original Grantee</u>	<u>Abst. No.</u>	H.B. No. 1402 <u>Acres</u>
1	3	H L. Dignowity	621	7.6652
2	267	H. N Cleveland	38	37.7480
3	268	P Moore	507	578.5462
4	524	G Dietzel	1673	<u>56.0592</u>

5  
6 Total . . . . . 680.0186Ac.

7 Said tract of 680.0186 acres being more fully described by metes and  
8 bounds, in one body, as follows:

9 BEGINNING at a 5/8" Steel Pin set at corner of Fence, in the S.E.  
10 line of Sur. No. 413, S F.A.M. & I Co., distant 4859 13 N 32° E of its  
11 South corner. Said point being the East corner of the O.D. Dooley  
12 Farms;

13 THENCE along the northwestern line of Sur. No. 517, N 32° 00' 00" E  
14 1109.19 ft. to a point for the East Corner of Sur No. 413;

15 THENCE along its N.E. line N 58° 00' 00" W 3943.41 ft. to a point in  
16 fence for a corner;

17 THENCE with fence, N 41° 40'28" E 988.09 ft. to a 5/8" Steel Pin at  
18 fence corner;

19 THENCE with fence N 23° 57' 59" W 2141.26 ft.; and N 15° 12' 55" W  
20 828.38 ft. to a 5/8" Steel Pin at fence corner;

21 THENCE with fence N 70° 05' 10" E 1361.21 ft. to a corner;

22 THENCE with fence N 83° 56' 06" E 1846.46 ft. to a 16" Live Oak for a  
23 corner;

24 THENCE with fence as follows:

25 N 74° 52' 12" E 253 62 ft. to a corner;

26 N 48° 36' 04" E 34 92 ft. to a corner;

27 S 59° 17' 38" E 1611 56 ft. to a 5/8" Steel Pin at fence corner,  
28 in the S.W line of Sur. No. 2, I & G N RR. Co., Blk. 6;

29 THENCE with fence and along the S.W. line of Sur. No. 2, S 58° 47'

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1 22" E 2086.39 ft. to a 5/8" Steel Pin at corner of fence;  
2 THENCE with fence as follows:  
3 S 33° 53' 54" W 131 42 ft. to a corner;  
4 S 14° 50' 33" E 1560.55 ft. to a corner;  
5 S 40° 30' 16" W 1529 27 ft. to a corner; and  
6 S 29° 52' 14" W 1722.04 ft. to a 5/8" Steel Pin for corner;  
7 THENCE leaving fence, N 59° 19' 30" W 221 71 ft. to a 5/8" Steel Pin  
8 for corner;  
9 THENCE S 54° 31' 40" W 1058.77 ft. to a 5/8" Steel Pin for a corner;  
10 THENCE S 42° 02' 32" W 991 47 ft. to a 5/8" Steel Pin in fence for  
11 corner;  
12 THENCE with fence N 42° 04' 08" W 192.52 ft. to the place of  
13 BEGINNING.  
14 TRACT B:  
15 BEING 102.5974 acres of land, more or less, lying and being situated  
16 in Kinney County, Texas, about seven miles N 21° W of Brackettville,  
17 the County Seat, all out of Sur. No. 413, S.F A.M. & I. Co.,  
18 Original Grantee, Abst. No. 570;  
19 BEGINNING at a 5/8" Steel Pin set at corner of fence, in the S E.  
20 line of Sur No. 413, at a point 1109.19 ft. S 32° 00' 00" W from its  
21 East corner;  
22 THENCE with fence N 57° 56' 13" W 4079.16 ft. to a 5/8" Steel Pin for  
23 a corner;  
24 THENCE crossing Road, N 45° 31' 58" W 51.89 ft. to a 5/8" Steel Pin  
25 for the West corner;  
26 THENCE N 41° 40' 28" E 1109.27 ft. to a point for the North corner;  
27 THENCE along the N E. line of Sur. No. 413, S 58° 00' 00" E 3943.41

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1 ft. to a point for its East corner;

2 THENCE along the S.E. line of Sur No. 413, S 32° 00' 00" W 1109.19 ft  
3 to the place of BEGINNING.

4 TRACT C:

5 An undivided one-half (1/2) interest in and to the following  
6 described parcels of land, to-wit:

7 Parcel 1:

8 BEING 4.4662 acres of land, more or less, lying and being situated  
9 in Kinney County, Texas, about seven miles N 21° W of Brackettville,  
10 the County Seat, all out of Sur. No. 409, B.B.B & C RR. Co., Original  
11 Grantee, Abst. No. 20; said 4 4662 acres being more fully described  
12 by metes and bounds as follows:

13 BEGINNING at a 5/8" Steel Pin set for the north corner of this  
14 tract, in the N.E. line of Sur. No. 409, and distant 4382.33 ft. N  
15 57° 49' 51" W of its East corner;

16 THENCE crossing Road S 58° 00' 21" E 49.58 ft. to a point for the east  
17 corner;

18 THENCE S 32° 06' 15" W 4011 33 ft. to a 5/8" Steel Pin for the South  
19 corner, set in the N E. Right-of-Way line of Ranch Road No. 2804;

20 THENCE along said R.O.W N 56° 58 00" W 47.44 ft to a 5/8" Steel Pin  
21 for the West corner;

22 THENCE N 32° 04' 25" E 4010 47 ft to the place of BEGINNING.

23 Parcel 2:

24 BEING 11 010 acres of land, more or less, lying and being situated  
25 in Kinney County, Texas, about seven miles N 21° W of Brackettville,  
26 the County Seat, all out of Sur No. 413, S F A.M & I Co., Original  
27 Grantee, Abst. No. 570, said 11.0100 acres being more fully

described by metes and bounds, as follows:

BEGINNING at a 5/8" Steel Pin set for the West corner of this tract,  
in the S W. line of Sur No. 413, and distant 4382 22 ft. N 57° 49' 51"  
W of its South corner;

THENCE with fence N 29° 02' 19" E 136.01 ft. to a corner;

THENCE with fence as follows:

N 35° 50' 10" E 3621.84 ft.

N 35° 46' 18" E 146 45 ft.

N 35° 49' 53" E 74.75 ft.

N 32° 09' 56" E 891 62 ft to a 5/8" Steel Pin for the North  
corner;

THENCE crossing Road, S 45° 31' 58" E 51.89 ft. to a fence corner, at  
5/8" Steel Pin;

THENCE with fence, S 32° 02' 11" W 2598 06 ft. to a corner;

THENCE with fence S 38° 43' 57" W 2146.97 ft. and S 32° 06' 15" W  
120.46 ft. to a point for a corner;

THENCE crossing Road N 58° 00' 21" W 49.58 ft. to the place of  
BEGINNING

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

(b) The governor, one of the required recipients, has  
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. 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, 2015.