2 relating to the powers and duties of the Headwaters Municipal Utility District; providing authority to issue bonds and impose 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 7951 to read as follows: CHAPTER 7951. HEADWATERS MUNICIPAL UTILITY DISTRICT SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7951.001. DEFINITION. In this chapter, "district" means the Headwaters Municipal Utility District.

Sec. 7951.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.
(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, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads. SUBCHAPTER B. POWERS AND DUTIES

Sec. 7951.051. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for

1 which the district is created.
2 Sec. 7951.052. MUNICIPAL UTILITY DISTRICT POWERS AND 3 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. 7951.053. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7951.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.
(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS
Sec. 7951.101. AUTHORITY TO ISSUE BONDS AND OTHER

1 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for a road project authorized by Section 7951.053.
(b) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
(c) 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.

Sec. 7951.102. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the district 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.

SECTION 2. The Headwaters Municipal Utility District retains all rights, powers, privileges, authority, duties, and functions that it had before the effective date of this Act.

SECTION 3. (a) The legislature validates and confirms all governmental acts and proceedings of the Headwaters Municipal Utility District that were taken before the effective date of this

27 Act.
(b) This section does not apply to any matter that on the effective date of this Act:
(1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or
(2) has been held invalid by a final court judgment.

SECTION 4. (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 Environmental Quality.
(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.
(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this
H.B. No. 4185

1 Act does not receive the vote necessary for immediate effect, this 2 Act takes effect September 1, 2015.


I certify that H.B. No. 4185 was passed by the House on May 15, 2015, by the following vote: Yeas 139, Nays 0, 2 present, not voting.


I certify that H.B. No. 4185 was passed by the Senate on May 27, 2015, by the following vote: Yeas 30, Nays 1.


APPROVED: $\qquad$
Governor

## LEGISLATIVE BUDGET BOARD

## Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 20, 2015
TO: Honorable Eddie Lucio Jr., Chair, Senate Committee on Intergovernmental Relations
FROM: Ursula Parks, Director, Legislative Budget Board
IN RE: HB4185 by Isaac (Relating to the powers and duties of the Headwaters Municipal Utility District; providing authority to issue bonds and impose taxes.), As Engrossed

No fiscal implication to the State is anticipated.

## Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

## Source Agencies:

LBB Staff: UP, KVe, EK

# LEGISLATIVE BUDGET BOARD Austin, Texas <br> FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION 

April 24, 2015

TO: Honorable Doug Miller, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4185 by Isaac (Relating to the powers and duties of the Headwaters Municipal Utility District; providing authority to issue bonds and impose taxes.), As Introduced

No fiscal implication to the State is anticipated.

## Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:<br>LBB Staff: UP, KVe, EK

Bryan W. Shaw, Ph.D., P.E., Chairman
Toby Baker, Commissioner
Zak Covar, Commissioner
Richard A. Hyde, P.E., Executive Director
Texas Commission on Environmental Quality
Protecting Texas by Reducing and Preventing Pollution
April 22, 2015

The Honorable Joe Straus
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910
Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 4185, as Filed by Representative Jason Isaac - Relating to the powers and duties of the Headwaters Municipal Utility District; providing authority to issue bonds and impose taxes

## Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

The bill codifies Headwaters Municipal Utility District (the "District") in Chapter 7951, Special District Local Laws Code. The bill specifies that the District is a municipal utility district under Water Code Chapters 49 and 54, and also grants the District road powers.

The bill confirms and validates all actions of the District that were taken before the effective date of the bill. The confirmation and validation does not apply to any matter that on the effective date of the bill: (1) is involved in litigation if the litigation ultimately results in the matter being held invalid by a final court judgment; or (2) has been held invalid by a final court judgment.

Sincerely,

Linda Brookins, Director
Water Supply Division
cc: Honorable Doug Miller, Chairman, House Committee on Special Purpose Districts Representative Jason Isaac, Texas House of Representatives

## LETTER OF TRANSMITTAL HOUSE OF REPRESENTATIVES <br> STATE OF TEXAS

HB 4185
Bill Number

TO:
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

4/10/2015
Date transmitted to
Governor's Office


House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation Disirict

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill.

April 10, 2015
Date transmitted to


Texas Commission on Environmental Quality

TO: $\quad$ The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District
Attached are recommendations of the Texas Commission on Environnental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.

Texas Commission on Environmental Quality

## AFFIDAVIT OF PUBLICATION

## STATE OF TEXAS COUNTY OF HAYS § § §

Before me, the undersigned authority, on this day personally appeared
sworn, deposes and says that (s)he is the $\qquad$
(title of newspaper representative)
of the San Marcos Daily Record; that said newspaper is regularly published or circulated in Hays
County, Texas; that the attached notice was published in said newspaper on the following dates):
 Publisher

Newspaper Representative's Signature

Subscribed and sworn to before me this the $16^{2 r}$ day of $\qquad$ 2015 , to certify which witness my hand and seal of office.










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