

AN ACT

relating to the creation of the LC Municipal Utility District No. 1 of Collin County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose 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 7908A to read as follows:

CHAPTER 7908A. LC MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7908A.0101. 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 LC Municipal Utility District No. 1 of Collin County.

Sec. 7908A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7908A.0103. CONFIRMATION AND DIRECTOR 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.

1 Sec. 7908A.0104. CONDITIONS PRECEDENT TO CONFIRMATION
2 ELECTION. (a) The temporary directors may not hold an election
3 under Section 7908A.0103 until:

4 (1) each municipality in whose corporate limits or
5 extraterritorial jurisdiction the district is located has
6 consented by ordinance or resolution to the creation of the
7 district and to the inclusion of land in the district; and

8 (2) the district has entered into a contract with a
9 municipality, Collin County, or another entity:

10 (A) for adequate supplemental police, fire,
11 emergency, and animal control services for the district; and

12 (B) that is approved by the Commissioners Court
13 of Collin County under Subsection (c).

14 (b) A contract under Subsection (a) may include a provision
15 that the contract takes effect only on the approval of the
16 Commissioners Court of Collin County and the voters in the district
17 voting in an election held for that purpose.

18 (c) The Commissioners Court of Collin County shall review a
19 contract under Subsection (a) and evaluate the supplemental police,
20 fire, emergency, and animal control services provided in the
21 contract. If the commissioners court determines that the contract
22 provides adequate services, the commissioners court shall adopt a
23 resolution stating that the contract has met the requirements of
24 Subsection (a).

25 Sec. 7908A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

7 Sec. 7908A.0106. INITIAL DISTRICT TERRITORY. (a) The
8 district is initially composed of the territory described by
9 Section 2 of the Act enacting this chapter.

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

14 (1) organization, existence, or validity;

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

18 (3) right to impose a tax; or

19 (4) legality or operation.

20 SUBCHAPTER B. BOARD OF DIRECTORS

21 Sec. 7908A.0201. GOVERNING BODY; TERMS. (a) The district
22 is governed by a board of five elected directors.

23 (b) Except as provided by Section 7908A.0202, directors
24 serve staggered four-year terms.

25 Sec. 7908A.0202. TEMPORARY DIRECTORS. (a) The temporary
26 board consists of:

27 (1) Shelby Wilson;

1 (2) Morris Layton;

2 (3) Roxane Lanclos;

3 (4) Tim Hunt; and

4 (5) Doug Hurst.

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

6 (1) the date permanent directors are elected under
7 Section 7908A.0103; or

8 (2) the fourth anniversary of the effective date of
9 the Act enacting this chapter.

10 (c) If permanent directors have not been elected under
11 Section 7908A.0103 and the terms of the temporary directors have
12 expired, successor temporary directors shall be appointed or
13 reappointed as provided by Subsection (d) to serve terms that
14 expire on the earlier of:

15 (1) the date permanent directors are elected under
16 Section 7908A.0103; or

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

19 (d) If Subsection (c) applies, the owner or owners of a
20 majority of the assessed value of the real property in the district
21 may submit a petition to the commission requesting that the
22 commission appoint as successor temporary directors the five
23 persons named in the petition. The commission shall appoint as
24 successor temporary directors the five persons named in the
25 petition.

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 7908A.0301. GENERAL POWERS AND DUTIES. The district

1 has the powers and duties necessary to accomplish the purposes for
2 which the district is created.

3 Sec. 7908A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
4 DUTIES. The district has the powers and duties provided by the
5 general law of this state, including Chapters 49 and 54, Water Code,
6 applicable to municipal utility districts created under Section 59,
7 Article XVI, Texas Constitution.

8 Sec. 7908A.0303. AUTHORITY FOR ROAD PROJECTS. Under
9 Section 52, Article III, Texas Constitution, the district may
10 design, acquire, construct, finance, issue bonds for, improve,
11 operate, maintain, and convey to this state, a county, or a
12 municipality for operation and maintenance macadamized, graveled,
13 or paved roads, or improvements, including storm drainage, in aid
14 of those roads.

15 Sec. 7908A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
16 road project must meet all applicable construction standards,
17 zoning and subdivision requirements, and regulations of each
18 municipality in whose corporate limits or extraterritorial
19 jurisdiction the road project is located.

20 (b) If a road project is not located in the corporate limits
21 or extraterritorial jurisdiction of a municipality, the road
22 project must meet all applicable construction standards,
23 subdivision requirements, and regulations of each county in which
24 the road project is located.

25 (c) If the state will maintain and operate the road, the
26 Texas Transportation Commission must approve the plans and
27 specifications of the road project.

1 Sec. 7908A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
2 ORDINANCE OR RESOLUTION. The district shall comply with all
3 applicable requirements of any ordinance or resolution that is
4 adopted under Section 54.016 or 54.0165, Water Code, and that
5 consents to the creation of the district or to the inclusion of land
6 in the district.

7 Sec. 7908A.0306. DIVISION OF DISTRICT. (a) The district
8 may be divided into two or more new districts only if the district:

9 (1) has no outstanding bonded debt; and

10 (2) is not imposing ad valorem taxes.

11 (b) This chapter applies to any new district created by
12 division of the district, and a new district has all the powers and
13 duties of the district.

14 (c) A new district created by the division of the district
15 may not, at the time the new district is created, contain any land
16 outside the area described by Section 2 of the Act enacting this
17 chapter.

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

22 (e) The board may adopt an order dividing the district
23 before or after the date the board holds an election under Section
24 7908A.0103 to confirm the district's creation.

25 (f) An order dividing the district shall:

26 (1) name each new district;

27 (2) include the metes and bounds description of the

1 territory of each new district;

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

3 and

4 (4) provide for the division of assets and liabilities
5 between the new districts.

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

10 (h) A new district created by the division of the district
11 shall hold a confirmation and directors' election as required by
12 Section 7908A.0103. If the voters of a new district do not confirm
13 the creation of the new district, the assets, obligations,
14 territory, and governance of the new district revert to the
15 original district.

16 (i) If the creation of the new district is confirmed, the
17 new district shall provide the election date and results to the
18 commission.

19 (j) A new district created by the division of the district
20 must hold an election as required by this chapter to obtain voter
21 approval before the district may impose a maintenance tax or issue
22 bonds payable wholly or partly from ad valorem taxes.

23 (k) Municipal consent to the creation of the district and to
24 the inclusion of land in the district granted under Section
25 7908A.0104 acts as municipal consent to the creation of any new
26 district created by the division of the district and to the
27 inclusion of land in the new district.

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2 Sec. 7908A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)

3 The district may issue, without an election, bonds and other
4 obligations secured by:

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

6 (2) contract payments described by Section
7 7908A.0403.

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

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

16 Sec. 7908A.0402. OPERATION AND MAINTENANCE TAX. (a) If
17 authorized at an election held under Section 7908A.0401, the
18 district may impose an operation and maintenance tax on taxable
19 property in the district in accordance with Section 49.107, Water
20 Code.

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

23 Sec. 7908A.0403. CONTRACT TAXES. (a) In accordance with
24 Section 49.108, Water Code, the district may impose a tax other than
25 an operation and maintenance tax and use the revenue derived from
26 the tax to make payments under a contract after the provisions of
27 the contract have been approved by a majority of the district voters

1 voting at an election held for that purpose.

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

5 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

6 Sec. 7908A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
7 OBLIGATIONS. The district may issue bonds or other obligations
8 payable wholly or partly from ad valorem taxes, impact fees,
9 revenue, contract payments, grants, or other district money, or any
10 combination of those sources, to pay for any authorized district
11 purpose.

12 Sec. 7908A.0502. TAXES FOR BONDS. At the time the district
13 issues bonds payable wholly or partly from ad valorem taxes, the
14 board shall provide for the annual imposition of a continuing
15 direct ad valorem tax, without limit as to rate or amount, while all
16 or part of the bonds are outstanding as required and in the manner
17 provided by Sections 54.601 and 54.602, Water Code.

18 Sec. 7908A.0503. BONDS FOR ROAD PROJECTS. At the time of
19 issuance, the total principal amount of bonds or other obligations
20 issued or incurred to finance road projects and payable from ad
21 valorem taxes may not exceed one-fourth of the assessed value of the
22 real property in the district.

23 SECTION 2. The LC Municipal Utility District No. 1 of Collin
24 County initially includes all the territory contained in the
25 following area:

26 BEING 109.980-acres located in the E.M. Woods Survey, Abstract
27 No. 960, Collin County Texas, being all of that called 110.034 acre

H.B. No. 4589

1 parcel described in General Warranty Deed to Kayasa Family, LTD, as
2 recorded in Instrument No. 201501140004480, Official Public
3 Records Collin County Texas, (O.P.R.C.C.T.) and being more
4 particularly described as follows:

5 BEGINNING at a Mag Nail found in the center of County Road 400 (CR
6 400) (a prescriptive roadway) for the northwest corner of said
7 Kayasa Family parcel, same being northeast corner of Tract 1 as
8 described in Deed in Lieu of Foreclosure to George W. Bowen recorded
9 in Instrument No. 20090330000362370, O.P.R.C.C.T.;

10 THENCE S 88'38'34" E with the center of said CR 400, a distance of
11 1,454.42 feet to a found 1/2-inch iron rod for the northeast corner
12 of the herein described tract, and the northwest corner of that
13 parcel described in Warranty Deed to Texas-New Mexico Power Company
14 recorded in Instrument No. 20070105000026530, O.P.R.C.C.T.;

15 THENCE leaving said roadway and with the east line of the herein
16 described tract as follows:

17 S 01'20'43" E, a distance of 871.17 feet to a found iron rod
18 with cap marked "BGT" for the southwest corner of said
19 Texas-New Mexico tract, the northwest corner of that parcel
20 described in Special Warranty Deed to Suncrest Princeton
21 Partners, Inc. recorded in Instrument No. 20180215000185810,
22 O.P.R.C.C.T.;

23 S 02'09'00" W, a distance of 1,053.31 feet to a found 1/2-inch
24 iron rod with cap marked "JBI" for the southwest corner of
25 said Suncrest Princeton Partners tract and the northwest
26 corner of that parcel described in Executrix's Special
27 Warranty Deed to Testamentary Trust to Dan Dowell Credit

1 Trust as recorded in Instrument No. 20150105000011710,
2 O.P.R.C.C.T.;
3 S 02'05'02" W, a distance of 1,147.48 feet to a found 3/8-inch
4 iron rod, for the southeast corner of the herein described
5 tract;
6 THENCE N 88'47'50" W with a northerly line of said Dowell tract, a
7 distance of 1,747.94 feet to a found 3/8-inch iron rod for the
8 northwest corner of said Dowell tract on the east line of that
9 parcel described in Special Warranty Deed to Shultz-Branch, Ltd.
10 recorded in instrument No. 20121229001661240, O.P.R.C.C.T.;

11 THENCE N 01'59'43" E with said east line, 986.49 feet to the
12 northeast corner of said Shultz-Branch parcel, being on the south
13 line of Tract 2 as described in Deed in Lieu of Foreclosure to
14 George W. Brown recorded in Instrument No. 20090330000362370,
15 O.P.R.C.C.T.;

16 THENCE S 89'01'19" E with said south line, a distance of 296.61 feet
17 to a found 1/2-inch iron rod for the southeast corner of said Tract
18 2;

19 THENCE N 00'38'32" E with the east line of said Tract 2 and the
20 aforesaid Tract 1, a distance of 2,087.82 feet to the POINT OF
21 BEGINNING, and containing 109.980 acres, more or less.

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

1 Government Code.

2 (b) The governor, one of the required recipients, has
3 submitted the notice and Act to the Texas Commission on
4 Environmental Quality.

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

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

13 SECTION 4. (a) If this Act does not receive a two-thirds
14 vote of all the members elected to each house, Subchapter C, Chapter
15 7908A, Special District Local Laws Code, as added by Section 1 of
16 this Act, is amended by adding Section 7908A.0307 to read as
17 follows:

18 Sec. 7908A.0307. NO EMINENT DOMAIN POWER. The district may
19 not exercise the power of eminent domain.

20 (b) 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 immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 4589 was passed by the House on May 14, 2021, by the following vote: Yeas 106, Nays 39, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4589 was passed by the Senate on May 27, 2021, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor