

1-1 By: Springer S.B. No. 2251
 1-2 (In the Senate - Filed May 5, 2021; May 6, 2021, read first
 1-3 time and referred to Committee on Local Government; May 19, 2021,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 9, Nays 0; May 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez	X			
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini	X			

1-17 COMMITTEE SUBSTITUTE FOR S.B. No. 2251 By: Springer

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to the creation of the Mustang Ranch Municipal Utility
 1-21 District No. 1 of Denton County; granting a limited power of
 1-22 eminent domain; providing authority to issue bonds; providing
 1-23 authority to impose assessments, fees, and taxes.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-25 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-26 Code, is amended by adding Chapter 7942A to read as follows:

1-27 CHAPTER 7942A. MUSTANG RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF
 1-28 DENTON COUNTY

1-29 SUBCHAPTER A. GENERAL PROVISIONS

1-30 Sec. 7942A.0101. DEFINITIONS. In this chapter:

- 1-31 (1) "Board" means the district's board of directors.
- 1-32 (2) "City" means the City of Pilot Point, Texas.
- 1-33 (3) "Commission" means the Texas Commission on
 1-34 Environmental Quality.

- 1-35 (4) "Director" means a board member.
- 1-36 (5) "District" means the Mustang Ranch Municipal
 1-37 Utility District No. 1 of Denton County.

1-38 Sec. 7942A.0102. NATURE OF DISTRICT. The district is a
 1-39 municipal utility district created under Section 59, Article XVI,
 1-40 Texas Constitution.

1-41 Sec. 7942A.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-42 REQUIRED. The temporary directors shall hold an election to
 1-43 confirm the creation of the district and to elect five permanent
 1-44 directors as provided by Section 49.102, Water Code.

1-45 Sec. 7942A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-46 temporary directors may not hold an election under Section
 1-47 7942A.0103 until each municipality in whose corporate limits or
 1-48 extraterritorial jurisdiction the district is located has
 1-49 consented by ordinance or resolution to the creation of the
 1-50 district and to the inclusion of land in the district.

1-51 Sec. 7942A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

- 1-52 (a) The district is created to serve a public purpose and benefit.
- 1-53 (b) The district is created to accomplish the purposes of:

- 1-54 (1) a municipal utility district as provided by
 1-55 general law and Section 59, Article XVI, Texas Constitution; and

- 1-56 (2) Section 52, Article III, Texas Constitution, that
 1-57 relate to the construction, acquisition, improvement, operation,
 1-58 or maintenance of macadamized, graveled, or paved roads, or
 1-59 improvements, including storm drainage, in aid of those roads.

1-60 Sec. 7942A.0106. INITIAL DISTRICT TERRITORY. (a) The

2-1 district is initially composed of the territory described by
 2-2 Section 2 of the Act enacting this chapter.

2-3 (b) The boundaries and field notes contained in Section 2 of
 2-4 the Act enacting this chapter form a closure. A mistake made in the
 2-5 field notes or in copying the field notes in the legislative process
 2-6 does not affect the district's:

2-7 (1) organization, existence, or validity;

2-8 (2) right to issue any type of bond for the purposes
 2-9 for which the district is created or to pay the principal of and
 2-10 interest on a bond;

2-11 (3) right to impose a tax; or

2-12 (4) legality or operation.

2-13 SUBCHAPTER B. BOARD OF DIRECTORS

2-14 Sec. 7942A.0201. GOVERNING BODY; TERMS. (a) The district
 2-15 is governed by a board of five elected directors.

2-16 (b) Except as provided by Section 7942A.0202, directors
 2-17 serve staggered four-year terms.

2-18 Sec. 7942A.0202. TEMPORARY DIRECTORS. (a) On or after
 2-19 October 1, 2021, the owner or owners of a majority of the assessed
 2-20 value of the real property in the district may submit a petition to
 2-21 the commission requesting that the commission appoint as temporary
 2-22 directors the five persons named in the petition. The commission
 2-23 shall appoint as temporary directors the five persons named in the
 2-24 petition.

2-25 (b) Temporary directors serve until the earlier of:

2-26 (1) the date permanent directors are elected under
 2-27 Section 7942A.0103; or

2-28 (2) October 1, 2025.

2-29 (c) If permanent directors have not been elected under
 2-30 Section 7942A.0103 and the terms of the temporary directors have
 2-31 expired, successor temporary directors shall be appointed or
 2-32 reappointed as provided by Subsection (d) to serve terms that
 2-33 expire on the earlier of:

2-34 (1) the date permanent directors are elected under
 2-35 Section 7942A.0103; or

2-36 (2) the fourth anniversary of the date of the
 2-37 appointment or reappointment.

2-38 (d) If Subsection (c) applies, the owner or owners of a
 2-39 majority of the assessed value of the real property in the district
 2-40 may submit a petition to the commission requesting that the
 2-41 commission appoint as successor temporary directors the five
 2-42 persons named in the petition. The commission shall appoint as
 2-43 successor temporary directors the five persons named in the
 2-44 petition.

2-45 SUBCHAPTER C. POWERS AND DUTIES

2-46 Sec. 7942A.0301. GENERAL POWERS AND DUTIES. The district
 2-47 has the powers and duties necessary to accomplish the purposes for
 2-48 which the district is created.

2-49 Sec. 7942A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-50 DUTIES. The district has the powers and duties provided by the
 2-51 general law of this state, including Chapters 49 and 54, Water Code,
 2-52 applicable to municipal utility districts created under Section 59,
 2-53 Article XVI, Texas Constitution.

2-54 Sec. 7942A.0303. AUTHORITY FOR ROAD PROJECTS. Under
 2-55 Section 52, Article III, Texas Constitution, the district may
 2-56 design, acquire, construct, finance, issue bonds for, improve,
 2-57 operate, maintain, and convey to this state, a county, or a
 2-58 municipality for operation and maintenance macadamized, graveled,
 2-59 or paved roads, or improvements, including storm drainage, in aid
 2-60 of those roads.

2-61 Sec. 7942A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-62 road project must meet all applicable construction standards,
 2-63 zoning and subdivision requirements, and regulations of each
 2-64 municipality in whose corporate limits or extraterritorial
 2-65 jurisdiction the road project is located.

2-66 (b) If a road project is not located in the corporate limits
 2-67 or extraterritorial jurisdiction of a municipality, the road
 2-68 project must meet all applicable construction standards,
 2-69 subdivision requirements, and regulations of each county in which

3-1 the road project is located.
3-2 (c) If the state will maintain and operate the road, the
3-3 Texas Transportation Commission must approve the plans and
3-4 specifications of the road project.
3-5 Sec. 7942A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
3-6 ORDINANCE OR RESOLUTION. The district shall comply with all
3-7 applicable requirements of any ordinance or resolution that is
3-8 adopted under Section 54.016 or 54.0165, Water Code, and that
3-9 consents to the creation of the district or to the inclusion of land
3-10 in the district.
3-11 Sec. 7942A.0306. DIVISION OF DISTRICT. (a) The district
3-12 may be divided into two or more new districts only if the district:
3-13 (1) has no outstanding bonded debt; and
3-14 (2) is not imposing ad valorem taxes.
3-15 (b) This chapter applies to any new district created by the
3-16 division of the district, and a new district has all the powers and
3-17 duties of the district.
3-18 (c) Any new district created by the division of the district
3-19 may not, at the time the new district is created, contain any land
3-20 outside the area described by Section 2 of the Act enacting this
3-21 chapter.
3-22 (d) The board, on its own motion or on receipt of a petition
3-23 signed by the owner or owners of a majority of the assessed value of
3-24 the real property in the district, may adopt an order dividing the
3-25 district.
3-26 (e) The board may adopt an order dividing the district
3-27 before or after the date the board holds an election under Section
3-28 7942A.0103 to confirm the district's creation.
3-29 (f) An order dividing the district shall:
3-30 (1) name each new district;
3-31 (2) include the metes and bounds description of the
3-32 territory of each new district;
3-33 (3) appoint temporary directors for each new district;
3-34 and
3-35 (4) provide for the division of assets and liabilities
3-36 between or among the new districts.
3-37 (g) On or before the 30th day after the date of adoption of
3-38 an order dividing the district, the district shall file the order
3-39 with the commission and record the order in the real property
3-40 records of each county in which the district is located.
3-41 (h) Any new district created by the division of the district
3-42 shall hold a confirmation and directors' election as required by
3-43 Section 7942A.0103. If the voters of a new district do not confirm
3-44 the creation of the new district, the assets, obligations,
3-45 territory, and governance of the new district revert to the
3-46 original district.
3-47 (i) Municipal consent to the creation of the district and to
3-48 the inclusion of land in the district granted under Section
3-49 7942A.0104 acts as municipal consent to the creation of any new
3-50 district created by the division of the district and to the
3-51 inclusion of land in the new district.
3-52 (j) Any new district created by the division of the district
3-53 must hold an election as required by this chapter to obtain voter
3-54 approval before the district may impose a maintenance tax or issue
3-55 bonds payable wholly or partly from ad valorem taxes.
3-56 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
3-57 Sec. 7942A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
3-58 The district may issue, without an election, bonds and other
3-59 obligations secured by:
3-60 (1) revenue other than ad valorem taxes; or
3-61 (2) contract payments described by Section
3-62 7942A.0403.
3-63 (b) The district must hold an election in the manner
3-64 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-65 before the district may impose an ad valorem tax or issue bonds
3-66 payable from ad valorem taxes.
3-67 (c) The district may not issue bonds payable from ad valorem
3-68 taxes to finance a road project unless the issuance is approved by a
3-69 vote of a two-thirds majority of the district voters voting at an

4-1 election held for that purpose.
4-2 Sec. 7942A.0402. OPERATION AND MAINTENANCE TAX. (a) If
4-3 authorized at an election held under Section 7942A.0401, the
4-4 district may impose an operation and maintenance tax on taxable
4-5 property in the district in accordance with Section 49.107, Water
4-6 Code.

4-7 (b) The board shall determine the tax rate. The rate may not
4-8 exceed the rate approved at the election.

4-9 Sec. 7942A.0403. CONTRACT TAXES. (a) In accordance with
4-10 Section 49.108, Water Code, the district may impose a tax other than
4-11 an operation and maintenance tax and use the revenue derived from
4-12 the tax to make payments under a contract after the provisions of
4-13 the contract have been approved by a majority of the district voters
4-14 voting at an election held for that purpose.

4-15 (b) A contract approved by the district voters may contain a
4-16 provision stating that the contract may be modified or amended by
4-17 the board without further voter approval.

4-18 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-19 Sec. 7942A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
4-20 OBLIGATIONS. The district may issue bonds or other obligations
4-21 payable wholly or partly from ad valorem taxes, impact fees,
4-22 revenue, contract payments, grants, or other district money, or any
4-23 combination of those sources, to pay for any authorized district
4-24 purpose.

4-25 Sec. 7942A.0502. TAXES FOR BONDS. At the time the district
4-26 issues bonds payable wholly or partly from ad valorem taxes, the
4-27 board shall provide for the annual imposition of a continuing
4-28 direct ad valorem tax, without limit as to rate or amount, while all
4-29 or part of the bonds are outstanding as required and in the manner
4-30 provided by Sections 54.601 and 54.602, Water Code.

4-31 Sec. 7942A.0503. BONDS FOR ROAD PROJECTS. At the time of
4-32 issuance, the total principal amount of bonds or other obligations
4-33 issued or incurred to finance road projects and payable from ad
4-34 valorem taxes may not exceed one-fourth of the assessed value of the
4-35 real property in the district.

4-36 SECTION 2. The Mustang Ranch Municipal Utility District
4-37 No. 1 of Denton County initially includes all the territory
4-38 contained in the following area:

4-39 BEING a tract of land situated in the Charles Fliesner
4-40 Survey, Abstract No. 431 and the Charles Mossenton Survey, Abstract
4-41 No. 808, Denton County, Texas, and being all of a called
4-42 669.40-acre tract of land conveyed to Michael Hall Shelby Revocable
4-43 Family Trust, as evidenced in a Special Warranty Deed, recorded in
4-44 Instrument No. 2017-35430 of the Official Records of Denton County,
4-45 Texas, and being more particularly described by metes and bounds as
4-46 follows:

4-47 BEGINNING at a 1/2-inch iron rod with an orange cap, stamped
4-48 "KAZ" found for the northwest corner of said 669.40-acre tract and
4-49 the northerly, northeast corner of a called 1,028.306-acre tract of
4-50 land conveyed to Bert Field, Jr., as evidenced in a Warranty Deed,
4-51 recorded in Volume 729, Page 561 of the Deed Records of Denton
4-52 County, Texas, same also being on the southerly right of way line of
4-53 F. M. 455, an 80' wide right of way as described in a deed to the
4-54 State of Texas, recorded in Volume 334, Page 119 of the Deed Records
4-55 of Denton County, Texas;

4-56 THENCE South 88°35'39" East, along the northerly line of said
4-57 669.40-acre tract and the southerly right of way line of said F. M.
4-58 455, a distance of 338.12 feet to a 1/2-inch iron rod with an orange
4-59 cap, stamped "KAZ" found for the beginning of a tangent curve to the
4-60 right having a central angle of 09°46'00", a radius of 2,824.79
4-61 feet, a chord bearing and distance of South 83°42'39" East, 480.93
4-62 feet;

4-63 THENCE in a southeasterly direction, continuing along the
4-64 northerly line of said 669.40-acre tract and the southerly right of
4-65 way line of said F. M. 455, along said curve to the right, an arc
4-66 distance of 481.52 feet to a point for corner;

4-67 THENCE South 78°49'39" East, continuing along the northerly
4-68 line of said 669.40-acre tract and the southerly right of way line
4-69 of said F. M. 455, a distance of 1,475.57 feet to a 5/8-inch iron rod

5-1 with a red plastic cap, stamped "KHA" set for corner;

5-2 THENCE South 78°43'39" East, continuing along the northerly

5-3 line of said 669.40-acre tract and the southerly right of way line

5-4 of said F. M. 455, a distance of 1657.57 feet to a 1/2-inch iron rod

5-5 with an orange cap, stamped "KAZ" found for the beginning of a

5-6 tangent curve to the right having a central angle of 06°48'00", a

5-7 radius of 3,779.72 feet, a chord bearing and distance of South

5-8 75°19'39" East, 448.32 feet;

5-9 THENCE in a southeasterly direction, continuing along the

5-10 northerly line of said 669.40-acre tract and the southerly right of

5-11 way line of said F. M. 455, along said curve to the right, an arc

5-12 distance of 448.59 feet to a 1/2-inch iron rod with an orange cap,

5-13 stamped "KAZ" found for corner;

5-14 THENCE South 71°55'39" East, continuing along the northerly

5-15 line of said 669.40-acre tract and the southerly right of way line

5-16 of said F. M. 455, a distance of 888.92 feet to a 5/8-inch iron rod

5-17 with a red plastic cap, stamped "KHA" set for corner;

5-18 THENCE South 71°24'39" East, continuing along the northerly

5-19 line of said 669.40-acre tract and the southerly right of way line

5-20 of said F. M. 455, a distance of 194.87 feet to a 1/2-inch iron rod

5-21 with an orange cap, stamped "KAZ" found for the northeast corner of

5-22 said 669.40-acre tract, same being the northwest corner of a called

5-23 Tract 2 (137.91-acres), conveyed to Sharon Anne Shelby, as

5-24 evidenced in a Partition Deed, recorded in Instrument No. 2016-5887

5-25 of the Official Records of Denton County, Texas;

5-26 THENCE South 00°00'05" East, departing the southerly right of

5-27 way line of said F. M. 455, along the easterly line of said

5-28 669.40-acre tract and the westerly line of said Tract 2

5-29 (137.91-acres), and generally with a barbed wire fence, a distance

5-30 of 4,776.49 feet to a 5/8-inch iron rod with a red plastic cap,

5-31 stamped "KHA" set in an asphalt road, known as Hames Road, for the

5-32 southeast corner of said 669.40-acre tract and the southwest corner

5-33 of said Tract 2 (137.91-acres), same being on the northerly line of

5-34 a called Tract 1 (87.748-acres), conveyed to TLD Willard, Ltd., as

5-35 evidenced in a Special Warranty Deed, recorded in Instrument

5-36 No. 2014-111011 of the Official Records of Denton County, Texas;

5-37 THENCE North 89°56'35" West, along the southerly line of said

5-38 669.40-acre tract, the northerly line of said Tract 1

5-39 (87.748-acres), and along said Hames Road, a distance of 116.68

5-40 feet to a 3/4-inch iron rod found for the northwest corner of said

5-41 Tract 1 (87.748-acres) and the northeast corner of a called

5-42 12.095-acre tract of land, conveyed to Jeff D. Kappel, et ux, as

5-43 evidenced in a Warranty Deed, recorded in Volume 5085, Page 1484 of

5-44 the Deed Records of Denton County, Texas;

5-45 THENCE North 89°39'47" West, continuing along the southerly

5-46 line of said 669.40-acre tract, the northerly line of said

5-47 12.095-acre tract and said Hames Road, a distance of 705.49 feet to

5-48 a 5/8-inch iron rod found for the northwest corner of said

5-49 12.096-acre tract and the northeast corner of a called 6.05-acre

5-50 tract, conveyed to Elias Loredó, et al, as evidenced in a Warranty

5-51 Deed, recorded in Instrument No. 2016-92822 of the Official Records

5-52 of Denton County, Texas;

5-53 THENCE North 89°35'57" West, continuing along the southerly

5-54 line of said 669.40-acre tract, the northerly line of said

5-55 6.05-acre tract and said Hames Road, a distance of 708.43 feet to a

5-56 3/4-inch iron rod found in a bend of said Hames Road, for the

5-57 northwest corner of said 6.05-acre tract, same being the northeast

5-58 corner of a called Tract 2 (146.593-acres), conveyed to TLD

5-59 Willard, Ltd., as evidenced in a Special Warranty Deed, recorded in

5-60 Instrument No. 2014-111011 of the Official Records of Denton

5-61 County, Texas;

5-62 THENCE North 89°28'39" West, departing said Hames Road,

5-63 continuing along the southerly line of said 699.40-acre tract and

5-64 the northerly line of said Tract 2 (146.593-acres), a distance of

5-65 3,408.99 feet to a 5/8-inch iron rod with a red plastic cap, stamped

5-66 "KHA" set for an angle point;

5-67 THENCE North 89°38'21" West, continuing along the southerly

5-68 line of said 699.40-acre tract and the northerly line of said Tract

5-69 2 (146.593-acres), passing at a distance of 82.62 feet, a found

6-1 1/2-inch iron rod, continuing for a total distance of 455.62 feet to
6-2 a 1/2-inch iron rod found for the southwest corner of said
6-3 699.40-acre tract and a southeasterly corner of aforesaid
6-4 1,028.306-acre Bert Fields Jr., tract;

6-5 THENCE North 00°24'46" East, along the westerly line of said
6-6 699.40-acre tract, the easterly line of said 1,028.306-acre tract,
6-7 and along a barbed wire fence, a distance of 5,855.81 feet to the
6-8 POINT OF BEGINNING and containing 669.396 acres (29,158,886 square
6-9 feet) of land, more or less.

6-10 SECTION 3. (a) The legal notice of the intention to
6-11 introduce this Act, setting forth the general substance of this
6-12 Act, has been published as provided by law, and the notice and a
6-13 copy of this Act have been furnished to all persons, agencies,
6-14 officials, or entities to which they are required to be furnished
6-15 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-16 Government Code.

6-17 (b) The governor, one of the required recipients, has
6-18 submitted the notice and Act to the Texas Commission on
6-19 Environmental Quality.

6-20 (c) The Texas Commission on Environmental Quality has filed
6-21 its recommendations relating to this Act with the governor, the
6-22 lieutenant governor, and the speaker of the house of
6-23 representatives within the required time.

6-24 (d) All requirements of the constitution and laws of this
6-25 state and the rules and procedures of the legislature with respect
6-26 to the notice, introduction, and passage of this Act are fulfilled
6-27 and accomplished.

6-28 SECTION 4. (a) If this Act does not receive a two-thirds
6-29 vote of all the members elected to each house, Subchapter C, Chapter
6-30 7942A, Special District Local Laws Code, as added by Section 1 of
6-31 this Act, is amended by adding Section 7942A.0307 to read as
6-32 follows:

6-33 Sec. 7942A.0307. NO EMINENT DOMAIN POWER. The district may
6-34 not exercise the power of eminent domain.

6-35 (b) This section is not intended to be an expression of a
6-36 legislative interpretation of the requirements of Section 17(c),
6-37 Article I, Texas Constitution.

6-38 SECTION 5. This Act takes effect October 1, 2021.

6-39

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