

AN ACT

relating to the creation of the Deer Creek Ranch Municipal Utility District No. 1; 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 7960 to read as follows:

CHAPTER 7960. DEER CREEK RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7960.0101. 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 Deer Creek Ranch Municipal Utility District No. 1.

Sec. 7960.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0103. 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. 7960.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section  
3 7960.0103 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district as required by  
7 applicable law.

8       Sec. 7960.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

17       Sec. 7960.0106. INITIAL DISTRICT TERRITORY. (a) The  
18 district is initially composed of the territory described by  
19 Section 2 of the Act enacting this chapter.

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

24               (1) organization, existence, or validity;

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

1           (3) right to impose a tax; or

2           (4) legality or operation.

3                   SUBCHAPTER B. BOARD OF DIRECTORS

4           Sec. 7960.0201. GOVERNING BODY; TERMS. (a) The district is  
5 governed by a board of five elected directors.

6           (b) Except as provided by Section 7960.0202, directors  
7 serve staggered four-year terms.

8           Sec. 7960.0202. TEMPORARY DIRECTORS. (a) On or after the  
9 effective date of the Act enacting this chapter, the owner or owners  
10 of a majority of the assessed value of the real property in the  
11 district may submit a petition to the commission requesting that  
12 the commission appoint as temporary directors the five persons  
13 named in the petition. The commission shall appoint as temporary  
14 directors the five persons named in the petition.

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

16                   (1) the date permanent directors are elected under  
17 Section 7960.0103; or

18                   (2) the fourth anniversary of the effective date of  
19 the Act enacting this chapter.

20           (c) If permanent directors have not been elected under  
21 Section 7960.0103 and the terms of the temporary directors have  
22 expired, successor temporary directors shall be appointed or  
23 reappointed as provided by Subsection (d) to serve terms that  
24 expire on the earlier of:

25                   (1) the date permanent directors are elected under  
26 Section 7960.0103; or

27                   (2) the fourth anniversary of the date of the

1 appointment or reappointment.

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

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 7960.0301. GENERAL POWERS AND DUTIES. The district  
11 has the powers and duties necessary to accomplish the purposes for  
12 which the district is created.

13 Sec. 7960.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
14 DUTIES. The district has the powers and duties provided by the  
15 general law of this state, including Chapters 49 and 54, Water Code,  
16 applicable to municipal utility districts created under Section 59,  
17 Article XVI, Texas Constitution.

18 Sec. 7960.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
19 52, Article III, Texas Constitution, the district may design,  
20 acquire, construct, finance, issue bonds for, improve, operate,  
21 maintain, and convey to this state, a county, or a municipality for  
22 operation and maintenance macadamized, graveled, or paved roads, or  
23 improvements, including storm drainage, in aid of those roads.

24 Sec. 7960.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
25 road project must meet all applicable construction standards,  
26 zoning and subdivision requirements, and regulations of each  
27 municipality in whose corporate limits or extraterritorial

1 jurisdiction the road project is located.

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

7 (c) If the state will maintain and operate the road, the  
8 Texas Transportation Commission must approve the plans and  
9 specifications of the road project.

10 Sec. 7960.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
11 ORDINANCE OR RESOLUTION. The district shall comply with all  
12 applicable requirements of any ordinance or resolution that is  
13 adopted under Section 54.016 or 54.0165, Water Code, and that  
14 consents to the creation of the district or to the inclusion of land  
15 in the district.

16 Sec. 7960.0306. DIVISION OF DISTRICT. (a) The board, on  
17 its own motion or on receipt of a petition signed by the owner or  
18 owners of a majority of the assessed value of the real property in  
19 the district, may adopt an order dividing the district.

20 (b) An order dividing a district may create one or more new  
21 districts and may provide for the continuation of the district.

22 (c) An order dividing the district shall:

23 (1) name any new district;

24 (2) include the metes and bounds description of the  
25 territory of each of the districts;

26 (3) appoint temporary directors for any new district;

27 and

1           (4) provide for the division of assets and liabilities  
2 between the districts.

3           (d) The board may adopt an order dividing the district  
4 before or after the date the board holds an election to confirm the  
5 district's creation.

6           (e) The district may be divided only if the district:

7                 (1) has never issued any bonds; and

8                 (2) is not imposing ad valorem taxes.

9           (f) A new district created by the division of the district  
10 may not, at the time the new district is created, contain any land  
11 outside the area described by Section 2 of the Act enacting this  
12 chapter.

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

17           (h) This chapter applies to any new district created by the  
18 division of the district, and a new district has all the powers and  
19 duties of the district.

20           (i) A new district created by the division of the district  
21 shall hold a confirmation and directors' election.

22           (j) If the creation of the new district is confirmed, the  
23 new district shall provide the election date and results to the  
24 commission.

25           (k) A new district created by the division of the district  
26 must hold an election as required by this chapter to obtain voter  
27 approval before the district may impose a maintenance tax or issue

1 bonds payable wholly or partly from ad valorem taxes.

2 (1) The district may continue to rely on confirmation,  
3 directors', bond, or tax elections held prior to the division.

4 (m) Municipal consent to the creation of the district and to  
5 the inclusion of land in the district acts as municipal consent to  
6 the creation of any new district created by the division of the  
7 district and to the inclusion of land in the new district.

8 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

9 Sec. 7960.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)

10 The district may issue, without an election, bonds and other  
11 obligations secured by:

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

13 (2) contract payments described by Section 7960.0403.

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

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

22 Sec. 7960.0402. OPERATION AND MAINTENANCE TAX. (a) If

23 authorized at an election held under Section 7960.0401, the  
24 district may impose an operation and maintenance tax on taxable  
25 property in the district in accordance with Section 49.107, Water  
26 Code.

27 (b) The board shall determine the tax rate. The rate may not

1 exceed the rate approved at the election.

2 Sec. 7960.0403. CONTRACT TAXES. (a) In accordance with  
3 Section 49.108, Water Code, the district may impose a tax other than  
4 an operation and maintenance tax and use the revenue derived from  
5 the tax to make payments under a contract after the provisions of  
6 the contract have been approved by a majority of the district voters  
7 voting at an election held for that purpose.

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

11 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

12 Sec. 7960.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
13 OBLIGATIONS. The district may issue bonds or other obligations  
14 payable wholly or partly from ad valorem taxes, impact fees,  
15 revenue, contract payments, grants, or other district money, or any  
16 combination of those sources, to pay for any authorized district  
17 purpose.

18 Sec. 7960.0502. TAXES FOR BONDS. At the time the district  
19 issues bonds payable wholly or partly from ad valorem taxes, the  
20 board shall provide for the annual imposition of a continuing  
21 direct ad valorem tax, without limit as to rate or amount, while all  
22 or part of the bonds are outstanding as required and in the manner  
23 provided by Sections 54.601 and 54.602, Water Code.

24 Sec. 7960.0503. BONDS FOR ROAD PROJECTS. At the time of  
25 issuance, the total principal amount of bonds or other obligations  
26 issued or incurred to finance road projects and payable from ad  
27 valorem taxes may not exceed one-fourth of the assessed value of the

1 real property in the district.

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

5 A 685.400 ACRE TRACT OF LAND SITUATED IN THE THOMAS POLK  
6 SURVEY, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 35,  
7 ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 396, THE  
8 SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 1087 AND THE SAMUEL W. DAVIS  
9 SURVEY, ABSTRACT NO. 165, LOCATED IN BELL COUNTY, TEXAS AND  
10 McCLENNAN COUNTY, TEXAS AND BEING A PORTION OF A CALLED 730.417 ACRE  
11 TRACT OF LAND CONVEYED TO VWB TRUST BY INSTRUMENTS RECORDED IN  
12 DOCUMENT NO. 20160034747 OF THE OFFICIAL PPUBLIC RECORDS OF BELL  
13 COUNTY, TEXAS AND IN DOCUMENT NO. 2016029961 OF THE OFFICIAL PUBLIC  
14 RECORDS OF McCLENNAN COUNTY, TEXAS. SAID 685.400 ACRE TRACT BEING  
15 MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH  
16 AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS  
17 COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

18 BEGINNING at a 1/2" iron rod found on a point being the  
19 northeast corner of said 730.417-acre tract of land, for the  
20 northeast corner and POINT OF BEGINNING hereof;

21 THENCE with the east boundary line of said 730.417-acre  
22 tract, the following three (3) courses and distances:

23 1. S 29°39'16" E for a distance of 23.01 feet to an angle point  
24 hereof,

25 2. S 29°37'25" E for a distance of 486.87 feet to an angle point  
26 hereof, and

27 3. S 29°29'03" E for a distance of 493.85 feet to a point being the

1 northeast corner of a called 5.525-acre tract of land conveyed to  
2 Larry Pietsch et ux, by instrument recorded in Document  
3 No. 2010000488 of the Official Public Records of Falls County,  
4 Texas, for an angle point hereof;

5       THENCE with the north boundary line of said 5.525-acre tract,  
6 the following two (2) courses and distances:

7 1. S 57°58'39" W for a distance of 542.26 feet to an angle point  
8 hereof, and

9 2. S 56°02'27" W for a distance of 58.49 feet to a point being the  
10 northwest corner of said 5.525-acre tract, for an angle point  
11 hereof;

12       THENCE with west boundary line of said 5.525-acre tract,  
13 S 32°56'37" E for a distance of 396.46 feet to a point being the  
14 northwest corner of a called 5.075-acre tract of land conveyed to  
15 Larry Pietsch et ux, by instrument recorded in Document no.  
16 2010000485 of the Official Public Records of Falls County, Texas,  
17 same being the southwest corner of said 5.525-acre tract, for an  
18 angle point hereof;

19       THENCE with the west boundary line of said 5.075-acre tract,  
20 S 14°23'05" E for a distance of 363.73 feet to a point being the  
21 southwest corner of said 5.075-acre tract for an angle point  
22 hereof;

23       THENCE with the south boundary line of said 5.075-acre tract  
24 N 59°41'47" E for a distance of 143.92 feet to a point in the  
25 approximate west boundary line of Falls County, Texas, same being  
26 the approximate east boundary line of Bell County, Texas, for an  
27 angle point hereof;

1           THENCE departing the south boundary line of said 5.075-acre  
2 tract with the approximate west boundary line of Falls County,  
3 Texas, same being the approximate east boundary line of Bell  
4 County, Texas and through the interior of said 730.417 acre tract,  
5 S 32°52'48" E for a distance of 2076.93 feet to a point in the north  
6 right-of-way line of County Road 498 (right-of-way width varies),  
7 same being the southern boundary line of said 730.417-acre tract  
8 for the southeast corner hereof;

9           THENCE with the north right-of-way line of County Road 498,  
10 same being the southern boundary line of said 730.417-acre tract,  
11 the following six (6) courses and distances:

- 12 1. S 59°45'11" W for a distance of 307.98 feet to a point
- 13 2. S 56°40'31" W for a distance of 452.77 feet to an angle point  
14 hereof,
- 15 3. S 59°50'03" W for a distance of 818.71 feet to an angle point  
16 hereof,
- 17 4. S 59°28'26" W for a distance of 725.73 feet to an angle point  
18 hereof,
- 19 5. S 59°11'05" W for a distance of 653.72 feet to 1/2" iron rod  
20 found on a point, for an angle point hereof, and
- 21 6. S 15°31'38" W for a distance of 522.86 feet to a 1/2" iron rod  
22 found on a point being the northeasterly corner of a called 125-acre  
23 tract of land conveyed to Jackie Elizabeth Bounds, et al by  
24 instrument recorded on Document No. 2020014897 of the Official  
25 Public Records of Bell County, Texas, same being a southeasterly  
26 corner of said 730.417-acre tract, for a southeasterly corner  
27 hereof;

1           THENCE with the northerly boundary line of said 125-acre  
2 tract, same being the southerly boundary line of said 730.417-acre  
3 tract, the following four (4) courses and distances:

4 1. N 68°17'07" W for a distance of 1982.29 feet to an angle point  
5 hereof,

6 2. S 20°13'41" W for a distance of 1194.63 feet to a 1/2" iron rod  
7 found on an angle point hereof,

8 3. N 70°00'40" W for a distance of 1040.46 feet to a 1/2" iron rod  
9 found on an angle point hereof, and

10 4. S 20°16'01" W for a distance of 913.53 feet to a point in the  
11 north boundary line of called 50.00-acre tract of land conveyed to  
12 Howard Thomas Daye and Glenda Marie Daye, by instrument recorded in  
13 Document No. 20085002539 of the Official Public Records of Bell  
14 County, Texas, same being the southwesterly corner of said 125-acre  
15 tract, for an angle point hereof;

16           THENCE with, in part, the northerly boundary lines of: said  
17 50.002-acre tract, a called 9.68-acre tract conveyed to Arthur  
18 Poston, by instrument recorded in Volume 5990, Page 314 of the  
19 Probate Records of Bell County, Texas and a called 64-acre tract of  
20 land conveyed to John D. Price and Vi Price, by instrument recorded  
21 in Volume 3324, Page 204 of the Deed Records of Bell County, Texas,  
22 respectively, same being the southerly boundary line of said  
23 730.417-acre tract, N 69°43'06" W for a distance of 1577.88 feet to  
24 a 1/2" iron rod found on a point in the southeasterly boundary line  
25 of a called 89.5-acre tract of land conveyed to the H.B. Hillyard,  
26 Jr. and Julia I. Hillyard Revocable Living Trust, by instrument  
27 recorded in Volume 1845, Page 808 of the Deed Records of McClennan

1 County, Texas, for an angle point hereof;

2       THENCE with the southeasterly boundary line of said 89.5-acre  
3 tract, same being the southerly boundary line of said 730.417-acre  
4 tract, N 57°14'15" E for a distance of 1017.80 feet to a 1/2" iron  
5 rod found on a point being the northeast corner of said 89.5-acre  
6 tract, for an angle point hereof;

7       THENCE with the northerly boundary line of said 89.5-acre  
8 tract, same being the southerly boundary line of said 730.417-acre  
9 tract, N 73°22'08" W for a distance of 2682.51 feet to a to a 1/2"  
10 iron rod found on a point in the easterly right-of-way of Neal Road  
11 (right-of-way width varies), said point being the northwest corner  
12 of said 89.5-acre tract, same being the southwesterly corner of  
13 said 730.417-acre tract, for the southwesterly corner hereof;

14       THENCE with the easterly right-of-way line of said Neal Road,  
15 same being the westerly boundary line of said 730.417-acre tract,  
16 the following two (2) courses and distances:

17               N 16°44'59" E for a distance of 641.51 feet to an angle  
18 point hereof, and

19               N 16°43'27" E for a distance of 1649.96 feet to a 1/2:"  
20 iron rod found on a point in the southerly margin of Franklin  
21 Road, said point being the northwest corner of said  
22 730.417-acre tract, for the northwest corner hereof;

23       THENCE with the southerly margin of said Franklin Road, same  
24 being the northwesterly boundary line of said 730.417-acre tract,  
25 the following three (3) courses and distances:

26 1. N 88°45'56" E for a distance of 1956.89 feet to an angle point  
27 hereof,

1 2. S 89°44'59" E for a distance of 1153.82 feet to a 1/2" iron rod  
2 found on for an angle point hereof, and

3 3. N 59°40'59" E for a distance of 1208.65 feet to an angle point  
4 hereof;

5 THENCE departing the southerly margin of Franklin Road,  
6 through the interior of said 730.417-acre tract, S 61°17'12" E for a  
7 distance of 29.19 feet to a point being the northwesterly corner of  
8 a called 10.00-acre tract of land conveyed to Kimberly Worthington,  
9 by instrument recorded in Document No. 2021020842 of the Official  
10 Public Records of McClennan County, Texas, for an angle point  
11 hereof;

12 THENCE with the westerly, southerly and easterly boundary  
13 lines, respectively, of said 10.00-acre tract the following twelve  
14 (12) courses and distances:

15 1. S 61°17'12" E for a distance of 324.55 feet to an angle point  
16 hereof,

17 2. N 06°20'39" E for a distance of 80.42 feet to an angle point  
18 hereof,

19 3. N 57°20'12" E for a distance of 81.81 feet to an angle point  
20 hereof,

21 4. S 23°32'20" E for a distance of 67.80 feet to an angle point  
22 hereof,

23 5. S 08°42'13" E for a distance of 181.25 feet to an angle point  
24 hereof,

25 6. N 39°25'15" E for a distance of 103.44 feet to an angle point  
26 hereof,

27 7. S 22°37'59" E for a distance of 186.24 feet to an angle point

1 hereof,

2 8. N 57°23'30" E for a distance of 88.53 feet to an angle point  
3 hereof,

4 9. S 29°10'57" E for a distance of 72.30 feet to an angle point  
5 hereof,

6 10. N 59°40'57" E for a distance of 20.00 feet to an angle point  
7 hereof,

8 11. N 59°40'57" E for a distance of 489.21 feet to an angle point  
9 hereof, and

10 12. N 30°19'01" W for a distance of 663.75 feet to a point being the  
11 northeasterly corner of said 10.00-acre tract for an angle point  
12 hereof;

13 THENCE departing the boundary line of said 10.00-acre tract,  
14 through the interior of said 730.417-acre tract, N 30°19'01" W for a  
15 distance of 25.02 feet to a point in the southerly margin of  
16 Franklin Road, same being the northwesterly boundary line of said  
17 730.417-acre tract, the following three (3) courses and distances:

18 1. N 59°40'59" E for a distance of 701.97 feet to an angle point  
19 hereof,

20 2. N 60°40'09" E for a distance of 1305.59 feet to an angle point  
21 hereof, and

22 3. N 60°36'34" E for a distance of 617.98 feet to a point to the  
23 POINT OF BEGINNING and containing 685.400 acres in the McClennan  
24 County, Texas and Bell County, Texas. Said tract being described in  
25 accordance with a survey prepared under Job No. 59012-22 by  
26 Pape-Dawson Engineers, Inc.

27 SECTION 3. (a) The legal notice of the intention to

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

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

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

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

18 SECTION 4. (a) If this Act does not receive a two-thirds  
19 vote of all the members elected to each house, Subchapter C, Chapter  
20 7960, Special District Local Laws Code, as added by Section 1 of  
21 this Act, is amended by adding Section 7960.0307 to read as follows:

22 Sec. 7960.0307. NO EMINENT DOMAIN POWER. The district may  
23 not exercise the power of eminent domain.

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

27 SECTION 5. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as  
2 provided by Section 39, Article III, Texas Constitution. If this  
3 Act does not receive the vote necessary for immediate effect, this  
4 Act takes effect September 1, 2023.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 5360 was passed by the House on May 19, 2023, by the following vote: Yeas 109, Nays 34, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 5360 was passed by the Senate on May 24, 2023, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor