

By: Giddings

H.B. No. 3574

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Dallas County Municipal Utility District No. 3; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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 8141 to read as follows:

CHAPTER 8141. DALLAS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8141.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Dallas County Municipal Utility District No. 3.

Sec. 8141.002. NATURE OF DISTRICT. The district is a municipal utility district in Dallas County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Sec. 8141.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8141.023 before September 1, 2007:

(1) the district is dissolved September 1, 2007,

1 except that:

2 (A) any debts incurred shall be paid;

3 (B) any assets that remain after the payment of
4 debts shall be transferred to Dallas County; and

5 (C) the organization of the district shall be
6 maintained until all debts are paid and remaining assets are
7 transferred; and

8 (2) this chapter expires September 1, 2010.

9 Sec. 8141.004. INITIAL DISTRICT TERRITORY. (a) The
10 district is initially composed of the territory described by
11 Section 2 of the Act creating this chapter.

12 (b) The boundaries and field notes contained in Section 2 of
13 the Act creating this chapter form a closure. A mistake made in the
14 field notes or in copying the field notes in the legislative process
15 does not affect:

16 (1) the organization, existence, or validity of the
17 district;

18 (2) the right of the district to impose taxes; or

19 (3) the legality or operation of the board.

20 [Sections 8141.005-8141.020 reserved for expansion]

21 SUBCHAPTER A1. TEMPORARY PROVISIONS

22 Sec. 8141.021. TEMPORARY DIRECTORS. (a) The temporary
23 board consists of:

24 (1) David Alan Bunch;

25 (2) Douglas Lee Bynum;

26 (3) Brent Turner Huddleston;

27 (4) Timothy Michael Mueller; and

1 (5) Tobin Douglas Tewell.

2 (b) If a temporary director fails to qualify for office, the
3 temporary directors who have qualified shall appoint a person to
4 fill the vacancy. If at any time there are fewer than three
5 qualified temporary directors, the Texas Commission on
6 Environmental Quality shall appoint the necessary number of persons
7 to fill all vacancies on the board.

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

9 (1) the date directors are elected under Section
10 8141.023; or

11 (2) the date this chapter expires under Section
12 8141.003.

13 Sec. 8141.022. ORGANIZATIONAL MEETING OF TEMPORARY
14 DIRECTORS. As soon as practicable after all the temporary
15 directors have qualified under Section 49.055, Water Code, the
16 temporary directors shall convene the organizational meeting of the
17 district at a location in the district agreeable to a majority of
18 the directors. If a location cannot be agreed upon, the
19 organizational meeting shall be at the Dallas County Courthouse.

20 Sec. 8141.023. CONFIRMATION AND INITIAL DIRECTORS'
21 ELECTION. The temporary directors shall hold an election to
22 confirm the creation of the district and to elect five directors as
23 provided by Section 49.102, Water Code.

24 Sec. 8141.024. INITIAL ELECTED DIRECTORS; TERMS. The
25 directors elected under Section 8141.023 shall draw lots to
26 determine which two shall serve until the first regularly scheduled
27 election of directors under Section 8141.052 and which three shall

1 serve until the second regularly scheduled election of directors.

2 Sec. 8141.025. EXPIRATION OF SUBCHAPTER. This subchapter
3 expires September 1, 2010.

4 [Sections 8141.026-8141.050 reserved for expansion]

5 SUBCHAPTER B. BOARD OF DIRECTORS

6 Sec. 8141.051. DIRECTORS; TERMS. (a) The district is
7 governed by a board of five directors.

8 (b) Directors serve staggered four-year terms.

9 Sec. 8141.052. ELECTION OF DIRECTORS. On the uniform
10 election date in May of each even-numbered year, the appropriate
11 number of directors shall be elected.

12 [Sections 8141.053-8141.100 reserved for expansion]

13 SUBCHAPTER C. POWERS AND DUTIES

14 Sec. 8141.101. MUNICIPAL UTILITY DISTRICT POWERS AND
15 DUTIES. The district has the powers and duties provided by the
16 general law of this state, including Chapters 49 and 54, Water Code,
17 applicable to municipal utility districts created under Section 59,
18 Article XVI, Texas Constitution.

19 Sec. 8141.102. ROAD PROJECTS. (a) The district may
20 construct, acquire, improve, maintain, or operate macadamized,
21 graveled, or paved roads or turnpikes, or improvements in aid of
22 those roads or turnpikes, inside or outside the district.

23 (b) A project authorized by this section must meet only the
24 construction standards adopted by the North Central Texas Council
25 of Governments, or its successor agency.

26 Sec. 8141.103. ROAD CONTRACTS. The district may contract
27 for a road project in the manner provided by Subchapter I, Chapter

1 49, Water Code.

2 Sec. 8141.104. WATER CONTROL AND STORAGE PROJECTS. (a) The
3 district may construct, acquire, improve, enlarge, extend, repair,
4 or maintain dams, levees, walls, dikes, embankments, canals,
5 reservoirs, lakes, or other improvements as necessary to control,
6 store, or preserve water in the district for any useful purpose.

7 (b) The district may overflow and inundate district lands
8 and other district property in the district.

9 (c) A project authorized by this section is subject to all
10 applicable permitting and regulatory requirements.

11 Sec. 8141.105. CERTIFICATE OF CONVENIENCE AND NECESSITY.

12 (a) The district may pay out of bond proceeds or other available
13 district money all expenses, including legal, engineering, and
14 other fees, related to obtaining a new certificate of convenience
15 and necessity under Chapter 13, Water Code, authorizing the
16 district to provide retail water or sewer service inside or outside
17 the district.

18 (b) The district may pay out of bond proceeds or other
19 available district money all expenses, including the purchase
20 price, related to acquiring certificate of convenience and
21 necessity rights from another retail public utility to allow the
22 district to provide retail water or sewer service in the district.

23 Sec. 8141.106. CONTRACT WITH POLITICAL SUBDIVISION FOR

24 WATER OR SEWER SERVICES. (a) The district may enter into a
25 contract to allow a political subdivision to provide retail water
26 or sewer service in the district. The contract may contain terms
27 the board considers desirable, fair, and advantageous to the

1 district.

2 (b) The contract may provide that the district will
3 construct or acquire and convey to the political subdivision a
4 water supply or treatment system, a water distribution system, or a
5 sanitary sewage collection or treatment system, as necessary to
6 provide water or sewer service in the district.

7 (c) The district may use bond proceeds or other available
8 district money to pay for its obligations and for services and
9 facilities provided under the contract.

10 (d) If the contract requires the district to make payments
11 from taxes other than operation and maintenance taxes, the contract
12 is subject to Section 49.108, Water Code.

13 [Sections 8141.107-8141.150 reserved for expansion]

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 8141.151. OPERATION AND MAINTENANCE TAX. (a) The
16 district may impose a tax for any district operation and
17 maintenance purpose in the manner provided by Section 49.107, Water
18 Code.

19 (b) Section 49.107(f), Water Code, does not apply to
20 reimbursements for projects constructed or acquired under Section
21 8141.102.

22 Sec. 8141.152. TAX TO REPAY BONDS. The district may impose
23 a tax to pay the principal of and interest on bonds issued under
24 Section 8141.201.

25 Sec. 8141.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
26 ASSESSMENTS. The district may not impose an impact fee or
27 assessment on the property, including the equipment,

1 rights-of-way, facilities, or improvements, of:

2 (1) an electric utility or a power generation company
3 as defined by Section 31.002, Utilities Code;

4 (2) a gas utility as defined by Section 101.003 or
5 121.001, Utilities Code;

6 (3) a telecommunications provider as defined by
7 Section 51.002, Utilities Code;

8 (4) a cable operator as defined by 47 U.S.C. Section
9 522; or

10 (5) a person who provides to the public advanced
11 telecommunications services.

12 [Sections 8141.154-8141.200 reserved for expansion]

13 SUBCHAPTER E. BONDS

14 Sec. 8141.201. AUTHORITY TO ISSUE BONDS AND OTHER
15 OBLIGATIONS; TAX. (a) The district may issue bonds or other
16 obligations as provided by Chapters 49 and 54, Water Code, and to
17 finance:

18 (1) the construction, maintenance, or operation of
19 projects under Sections 8141.102 and 8141.104; or

20 (2) the district's contractual obligations under
21 Section 8141.106.

22 (b) The district may issue bonds or other obligations
23 payable wholly or partly from ad valorem taxes, impact fees,
24 revenue, grants, or other district money or any combination of
25 those sources.

26 (c) The district may not issue bonds or other obligations
27 secured wholly or partly by ad valorem taxation to finance projects

1 authorized by Section 8141.102 unless the issuance is approved by a
2 vote of a two-thirds majority of the voters of the district voting
3 at an election called for that purpose.

4 (d) Bonds or other obligations issued or incurred to finance
5 projects authorized by Section 8141.102 may not exceed one-fourth
6 of the assessed value of the real property in the district.

7 (e) Sections 49.181 and 49.182, Water Code, do not apply to
8 a project undertaken by the district under Section 8141.102 or to
9 bonds issued by the district to finance the project.

10 [Sections 8141.202-8141.250 reserved for expansion]

11 SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

12 Sec. 8141.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At
13 any time before the district issues indebtedness secured by taxes
14 or net revenues, the district, including any annexed territory, may
15 be divided into two or more new districts.

16 (b) A new district created by division of the district must
17 be at least 100 acres.

18 (c) The board may consider a proposal to divide the district
19 on:

20 (1) a petition of a landowner in the district; or

21 (2) a motion by the board.

22 (d) If the board decides to divide the district, the board
23 shall:

24 (1) set the terms of the division, including names for
25 the new districts and a plan for the payment or performance of any
26 outstanding district obligations; and

27 (2) prepare a metes and bounds description for each

1 proposed district.

2 Sec. 8141.252. ELECTION FOR DIVISION OF DISTRICT. (a)
3 After the board has complied with Section 8141.251(d), the board
4 shall hold an election in the district to determine whether the
5 district should be divided as proposed.

6 (b) The board shall give notice of the election not later
7 than the 35th day before the date of the election. The notice must
8 state:

- 9 (1) the date and location of the election; and
10 (2) the proposition to be voted on.

11 (c) If a majority of the votes cast are in favor of the
12 division:

- 13 (1) the district shall be divided; and
14 (2) not later than the 30th day after the date of the
15 election, the district shall provide written notice of the division
16 to:

17 (A) the Texas Commission on Environmental
18 Quality;

19 (B) the attorney general;

20 (C) the commissioners court of each county in
21 which a new district is located; and

22 (D) any municipality having extraterritorial
23 jurisdiction over territory in each new district.

24 (d) If a majority of the votes cast are not in favor of the
25 division, the district may not be divided.

26 Sec. 8141.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a)
27 Not later than the 90th day after the date of an election in favor of

1 the division of the district, the board shall:

2 (1) appoint itself as the board of one of the new
3 districts; and

4 (2) appoint five directors for each of the other new
5 districts.

6 (b) Directors appointed under Subsection (a)(1) serve the
7 staggered terms to which they were elected in the original
8 district. Directors appointed under Subsection (a)(2) serve until
9 the election for directors under Subsection (c).

10 (c) On the uniform election date in May of the first
11 even-numbered year after the year in which the directors are
12 appointed, an election shall be held to elect five directors in each
13 district for which directors were appointed under Subsection
14 (a)(2). The directors shall draw lots to determine which two shall
15 serve two-year terms and which three shall serve four-year terms.

16 (d) Except as provided by Subsection (c), directors serve
17 staggered four-year terms. On the uniform election date in May of
18 each even-numbered year, the appropriate number of directors shall
19 be elected.

20 Sec. 8141.254. CONTINUING POWERS AND OBLIGATIONS OF NEW
21 DISTRICTS. (a) Each new district may incur and pay debts and has
22 all powers of the original district created by this chapter.

23 (b) If the district is divided as provided by this
24 subchapter, the current obligations and any bond authorizations of
25 the district are not impaired. Debts shall be paid by revenues or
26 by taxes or assessments imposed on real property in the district as
27 if the district had not been divided or by contributions from each

1 new district as stated in the terms set by the board under Section
2 8141.251(d).

3 (c) Any other district obligation shall be divided pro rata
4 among the new districts on an acreage basis or on other terms that
5 are satisfactory to the new districts.

6 Sec. 8141.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The
7 new districts may contract with each other for:

8 (1) water and wastewater services; or

9 (2) any other matter the boards of the new districts
10 consider appropriate.

11 SECTION 2. The Dallas County Municipal Utility District No.
12 3 initially includes all the territory contained in the following
13 described area:

14 Being a 320.42 acre tract of land lying and being situated in
15 the G.W. Scott Survey, Abstract 1273, and the Robert Sloan Survey,
16 Abstract 1271, Dallas County, Texas, and being a portion of the
17 tract of land conveyed to Hemyari Kourosch according to the deed
18 filed of record in Volume 2000173, Page 3869, Deed Records of Dallas
19 County, Texas:

20 Beginning at a point in the most easterly line of the said
21 Kourosch tract, from which the most northeasterly corner of said
22 Kourosch tract bears North 33° 30' 49" west, a distance of 594.73
23 feet;

24 Thence South 33°30'49" East, a distance of 734.38 feet to a point;

25 Thence North 61°23'35" East, a distance of 290.61 feet to a point;

26 Thence South 30°24'29" East, a distance of 1492.63 feet to a point;

27 Thence South 30°22'42" East, a distance of 2122.82 feet to a point in

1 the north line of Pleasant Run Road;
2 Thence South 59°40'41" West, along the north line of said road, a
3 distance of 432.63 feet to a point;
4 Thence North 28°12'39" West, a distance of 1044.73 feet to a point;
5 Thence South 59°29'32" West, a distance of 3517.87 feet to a point;
6 Thence North 28°52'54" West, a distance of 1086.51 feet to a point;
7 Thence South 59°33'45" West, a distance of 2820.16 feet to a point;
8 Thence North 30°39'30" West, a distance of 319.83 feet to a point,
9 and the beginning of a curve to the left;
10 Thence along said curve having a radius of 2740.00 feet, a chord
11 bearing of North 22°27'37" East, a chord length of 1441.59 feet, and
12 an arc length of 1458.76 feet, to a point;
13 Thence North 60°03'47" East, a distance of 1923.47 feet to a point,
14 and the beginning of a curve to the left;
15 Thence along said curve having a radius of 2740.00 feet, a chord
16 bearing of North 33°34'54" East, a chord length of 2443.57 feet, and
17 an arc length of 2532.79 feet, to a point;
18 Thence North 60°10'01" East, a distance of 1105.17 feet to the POINT
19 OF BEGINNING, and containing 320.42 acres of land, more or less.

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

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

1 submitted the notice and Act to the Texas Commission on
2 Environmental Quality.

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

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

11 SECTION 4. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section 39, Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2005.