

By: Deuell

S.B. No. 1898

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 8141.024 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 8141.024; 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. CONSENT OF MUNICIPALITY REQUIRED. The
21 temporary directors may not hold an election under Section 8141.024
22 until each municipality in whose corporate limits or
23 extraterritorial jurisdiction the district is located has
24 consented to the creation of the district in accordance with
25 Section 54.016, Water Code, or until the requirements of Section
26 54.016, Water Code, for creating a district without the consent of
27 the municipality are met.

1 Sec. 8141.024. CONFIRMATION AND INITIAL DIRECTORS'
2 ELECTION. If the requirements of Section 8141.023 have been met,
3 the temporary directors shall hold an election to confirm the
4 creation of the district and to elect five directors as provided by
5 Section 49.102, Water Code.

6 Sec. 8141.025. INITIAL ELECTED DIRECTORS; TERMS. The
7 directors elected under Section 8141.024 shall draw lots to
8 determine which two shall serve until the first regularly scheduled
9 election of directors under Section 8141.052 and which three shall
10 serve until the second regularly scheduled election of directors.

11 Sec. 8141.026. EXPIRATION OF SUBCHAPTER. This subchapter
12 expires September 1, 2010.

13 [Sections 8141.027-8141.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

21 [Sections 8141.053-8141.100 reserved for expansion]

22 SUBCHAPTER C. POWERS AND DUTIES

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

1 Sec. 8141.102. ROAD PROJECTS. (a) The district may
2 construct, acquire, improve, maintain, or operate macadamized,
3 graveled, or paved roads or turnpikes, or improvements in aid of
4 those roads or turnpikes, inside the district.

5 (b) A road project must meet or exceed all applicable
6 construction standards, zoning and subdivision requirements, and
7 regulatory ordinances of each municipality in whose corporate
8 limits or extraterritorial jurisdiction the district is located.
9 If the district is located outside the extraterritorial
10 jurisdiction of a municipality, a road project must meet or exceed
11 all applicable construction standards, zoning and subdivision
12 requirements, and regulatory ordinances of each county in which the
13 district is located.

14 (c) The district may not undertake a road project unless
15 each municipality in whose corporate limits or extraterritorial
16 jurisdiction the district is located consents by ordinance or
17 resolution. If the district is located outside the
18 extraterritorial jurisdiction of a municipality, the district may
19 not undertake a road project unless each county in which the
20 district is located consents by ordinance or resolution.

21 Sec. 8141.103. ROAD CONTRACTS. The district may contract
22 for a road project in the manner provided by Subchapter I, Chapter
23 49, Water Code.

24 Sec. 8141.104. WATER CONTROL AND STORAGE PROJECTS. (a) The
25 district may construct, acquire, improve, or maintain dams,
26 embankments, reservoirs, lakes, or other improvements as necessary
27 to control, store, or preserve water in the district for any useful

1 purpose.

2 (b) The district may overflow and inundate district lands
3 and other district property in the district.

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

6 Sec. 8141.105. CERTIFICATE OF CONVENIENCE AND NECESSITY.

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

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

18 Sec. 8141.106. CONTRACT WITH POLITICAL SUBDIVISION FOR

19 WATER OR SEWER SERVICES. (a) The district may enter into a
20 contract to allow a political subdivision to provide retail water
21 or sewer service in the district. The contract may contain terms
22 the board considers desirable, fair, and advantageous to the
23 district.

24 (b) The contract may provide that the district will
25 construct or acquire and convey to the political subdivision a
26 water supply or treatment system, a water distribution system, or a
27 sanitary sewage collection or treatment system, as necessary to

1 provide water or sewer service in the district.

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

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

8 [Sections 8141.107-8141.150 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 8141.151. OPERATION AND MAINTENANCE TAX. (a) The
11 district may impose a tax for any district operation and
12 maintenance purpose in the manner provided by Section 49.107, Water
13 Code.

14 (b) Section 49.107(f), Water Code, does not apply to
15 reimbursements for projects constructed or acquired under Section
16 8141.102.

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

20 Sec. 8141.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
21 ASSESSMENTS. The district may not impose an impact fee or
22 assessment on the property, including the equipment,
23 rights-of-way, facilities, or improvements, of:

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

26 (2) a gas utility as defined by Section 101.003 or
27 121.001, Utilities Code;

1 (3) a telecommunications provider as defined by
2 Section 51.002, Utilities Code;

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

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

7 [Sections 8141.154-8141.200 reserved for expansion]

8 SUBCHAPTER E. BONDS

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

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

15 (2) the district's contractual obligations under
16 Section 8141.106.

17 (b) The district may issue bonds or other obligations
18 payable wholly or partly from ad valorem taxes, impact fees,
19 revenue, grants, or other district money or any combination of
20 those sources.

21 (c) The district may not issue bonds or other obligations
22 secured wholly or partly by ad valorem taxation to finance projects
23 authorized by Section 8141.102 unless the issuance is approved by a
24 vote of a two-thirds majority of the voters of the district voting
25 at an election called for that purpose.

26 (d) Bonds or other obligations issued or incurred to finance
27 projects authorized by Section 8141.102 may not exceed one-fourth

1 of the assessed value of the real property in the district.

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

5 [Sections 8141.202-8141.250 reserved for expansion]

6 SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

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

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

13 (c) The board may consider a proposal to divide the district
14 on:

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

16 (2) a motion by the board.

17 (d) If the board decides to divide the district, the board
18 shall:

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

22 (2) prepare a metes and bounds description for each
23 proposed district.

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

1 (b) The board shall give notice of the election not later
2 than the 35th day before the date of the election. The notice must
3 state:

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

6 (c) If a majority of the votes cast are in favor of the
7 division:

- 8 (1) the district shall be divided; and
9 (2) not later than the 30th day after the date of the

10 election, the district shall provide written notice of the division
11 to:

12 (A) the Texas Commission on Environmental
13 Quality;

14 (B) the attorney general;

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

17 (D) any municipality having extraterritorial
18 jurisdiction over territory in each new district.

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

21 Sec. 8141.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a)
22 Not later than the 90th day after the date of an election in favor of
23 the division of the district, the board shall:

24 (1) appoint itself as the board of one of the new
25 districts; and

26 (2) appoint five directors for each of the other new
27 districts.

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

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

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

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

18 (b) If the district is divided as provided by this
19 subchapter, the current obligations and any bond authorizations of
20 the district are not impaired. Debts shall be paid by revenues or
21 by taxes or assessments imposed on real property in the district as
22 if the district had not been divided or by contributions from each
23 new district as stated in the terms set by the board under Section
24 8141.251(d).

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

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

- 3 (1) water and wastewater services; or
4 (2) any other matter the boards of the new districts
5 consider appropriate.

6 SECTION 2. The Dallas County Municipal Utility District No.
7 3 initially includes all the territory contained in the following
8 described area:

9 Being a 320.42 acre tract of land lying and being situated in
10 the G.W. Scott Survey, Abstract 1273, and the Robert Sloan Survey,
11 Abstract 1271, Dallas County, Texas, and being a portion of the
12 tract of land conveyed to Hemyari Kourosh according to the deed
13 filed of record in Volume 2000173, Page 3869, Deed Records of Dallas
14 County, Texas:

15 Beginning at a point in the most easterly line of the said
16 Kourosh tract, from which the most northeasterly corner of said
17 Kourosh tract bears North 33° 30' 49" west, a distance of 594.73
18 feet;

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

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

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

22 Thence South 30°22'42" East, a distance of 2122.82 feet to a point in
23 the north line of Pleasant Run Road;

24 Thence South 59°40'41" West, along the north line of said road, a
25 distance of 432.63 feet to a point;

26 Thence North 28°12'39" West, a distance of 1044.73 feet to a point;

27 Thence South 59°29'32" West, a distance of 3517.87 feet to a point;

1 Thence North 28°52'54" West, a distance of 1086.51 feet to a point;
2 Thence South 59°33'45" West, a distance of 2820.16 feet to a point;
3 Thence North 30°39'30" West, a distance of 319.83 feet to a point,
4 and the beginning of a curve to the left;
5 Thence along said curve having a radius of 2740.00 feet, a chord
6 bearing of North 22°27'37" East, a chord length of 1441.59 feet, and
7 an arc length of 1458.76 feet, to a point;
8 Thence North 60°03'47" East, a distance of 1923.47 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 33°34'54" East, a chord length of 2443.57 feet, and
12 an arc length of 2532.79 feet, to a point;
13 Thence North 60°10'01" East, a distance of 1105.17 feet to the POINT
14 OF BEGINNING, and containing 320.42 acres of land, more or less.

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

22 (b) The governor, one of the required recipients, has
23 submitted the notice and Act to the Texas Commission on
24 Environmental Quality.

25 (c) The Texas Commission on Environmental Quality has filed
26 its recommendations relating to this Act with the governor, the
27 lieutenant governor, and the speaker of the house of

1 representatives within the required time.

2 (d) All requirements of the constitution and laws of this
3 state and the rules and procedures of the legislature with respect
4 to the notice, introduction, and passage of this Act are fulfilled
5 and accomplished.

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