

1-1 By: Deuell S.B. No. 1898
1-2 (In the Senate - Filed May 10, 2005; May 12, 2005, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; May 17, 2005, reported favorably by the following vote:
1-5 Yeas 4, Nays 0; May 17, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the creation of the Dallas County Municipal Utility
1-9 District No. 3; providing authority to impose a tax and issue bonds;
1-10 granting the power of eminent domain.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-13 Code, is amended by adding Chapter 8141 to read as follows:

1-14 CHAPTER 8141. DALLAS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 8141.001. DEFINITIONS. In this chapter:

1-17 (1) "Board" means the board of directors of the
1-18 district.

1-19 (2) "Director" means a member of the board.

1-20 (3) "District" means the Dallas County Municipal
1-21 Utility District No. 3.

1-22 Sec. 8141.002. NATURE OF DISTRICT. The district is a
1-23 municipal utility district in Dallas County created under and
1-24 essential to accomplish the purposes of Section 52, Article III,
1-25 and Section 59, Article XVI, Texas Constitution. The district is
1-26 created to serve a public use and benefit.

1-27 Sec. 8141.003. CONFIRMATION ELECTION REQUIRED. If the
1-28 creation of the district is not confirmed at a confirmation
1-29 election held under Section 8141.024 before September 1, 2007:

1-30 (1) the district is dissolved September 1, 2007,
1-31 except that:

1-32 (A) any debts incurred shall be paid;

1-33 (B) any assets that remain after the payment of
1-34 debts shall be transferred to Dallas County; and

1-35 (C) the organization of the district shall be
1-36 maintained until all debts are paid and remaining assets are
1-37 transferred; and

1-38 (2) this chapter expires September 1, 2010.

1-39 Sec. 8141.004. INITIAL DISTRICT TERRITORY. (a) The
1-40 district is initially composed of the territory described by
1-41 Section 2 of the Act creating this chapter.

1-42 (b) The boundaries and field notes contained in Section 2 of
1-43 the Act creating this chapter form a closure. A mistake made in the
1-44 field notes or in copying the field notes in the legislative process
1-45 does not affect:

1-46 (1) the organization, existence, or validity of the
1-47 district;

1-48 (2) the right of the district to impose taxes; or

1-49 (3) the legality or operation of the board.

1-50 [Sections 8141.005-8141.020 reserved for expansion]

1-51 SUBCHAPTER A1. TEMPORARY PROVISIONS

1-52 Sec. 8141.021. TEMPORARY DIRECTORS. (a) The temporary
1-53 board consists of:

1-54 (1) David Alan Bunch;

1-55 (2) Douglas Lee Bynum;

1-56 (3) Brent Turner Huddleston;

1-57 (4) Timothy Michael Mueller; and

1-58 (5) Tobin Douglas Tewell.

1-59 (b) If a temporary director fails to qualify for office, the
1-60 temporary directors who have qualified shall appoint a person to
1-61 fill the vacancy. If at any time there are fewer than three
1-62 qualified temporary directors, the Texas Commission on
1-63 Environmental Quality shall appoint the necessary number of persons
1-64 to fill all vacancies on the board.

(c) Temporary directors serve until the earlier of:

(1) the date directors are elected under Section 8141.024; or

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

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

Sec. 8141.023. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8141.024 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented to the creation of the district in accordance with Section 54.016, Water Code, or until the requirements of Section 54.016, Water Code, for creating a district without the consent of the municipality are met.

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

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

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

[Sections 8141.027-8141.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

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

(b) Directors serve staggered four-year terms.

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

[Sections 8141.053-8141.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

3-1 49, Water Code.

3-2 Sec. 8141.104. WATER CONTROL AND STORAGE PROJECTS.

3-3 (a) The district may construct, acquire, improve, or maintain
3-4 dams, embankments, reservoirs, lakes, or other improvements as
3-5 necessary to control, store, or preserve water in the district for
3-6 any useful purpose.

3-7 (b) The district may overflow and inundate district lands
3-8 and other district property in the district.

3-9 (c) A project authorized by this section is subject to all
3-10 applicable permitting and regulatory requirements.

3-11 Sec. 8141.105. CERTIFICATE OF CONVENIENCE AND NECESSITY.

3-12 (a) The district may pay out of bond proceeds or other available
3-13 district money all expenses, including legal, engineering, and
3-14 surveying fees, related to obtaining a new certificate of
3-15 convenience and necessity under Chapter 13, Water Code, authorizing
3-16 the district to provide retail water or sewer service inside or
3-17 outside the district.

3-18 (b) The district may pay out of bond proceeds or other
3-19 available district money all expenses, including the purchase
3-20 price, related to acquiring certificate of convenience and
3-21 necessity rights from another retail public utility to allow the
3-22 district to provide retail water or sewer service in the district.

3-23 Sec. 8141.106. CONTRACT WITH POLITICAL SUBDIVISION FOR
3-24 WATER OR SEWER SERVICES. (a) The district may enter into a

3-25 contract to allow a political subdivision to provide retail water
3-26 or sewer service in the district. The contract may contain terms
3-27 the board considers desirable, fair, and advantageous to the
3-28 district.

3-29 (b) The contract may provide that the district will
3-30 construct or acquire and convey to the political subdivision a
3-31 water supply or treatment system, a water distribution system, or a
3-32 sanitary sewage collection or treatment system, as necessary to
3-33 provide water or sewer service in the district.

3-34 (c) The district may use bond proceeds or other available
3-35 district money to pay for its obligations and for services and
3-36 facilities provided under the contract.

3-37 (d) If the contract requires the district to make payments
3-38 from taxes other than operation and maintenance taxes, the contract
3-39 is subject to Section 49.108, Water Code.

3-40 [Sections 8141.107-8141.150 reserved for expansion]

3-41 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-42 Sec. 8141.151. OPERATION AND MAINTENANCE TAX. (a) The
3-43 district may impose a tax for any district operation and
3-44 maintenance purpose in the manner provided by Section 49.107, Water
3-45 Code.

3-46 (b) Section 49.107(f), Water Code, does not apply to
3-47 reimbursements for projects constructed or acquired under Section
3-48 8141.102.

3-49 Sec. 8141.152. TAX TO REPAY BONDS. The district may impose
3-50 a tax to pay the principal of and interest on bonds issued under
3-51 Section 8141.201.

3-52 Sec. 8141.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
3-53 ASSESSMENTS. The district may not impose an impact fee or
3-54 assessment on the property, including the equipment,
3-55 rights-of-way, facilities, or improvements, of:

3-56 (1) an electric utility or a power generation company
3-57 as defined by Section 31.002, Utilities Code;

3-58 (2) a gas utility as defined by Section 101.003 or
3-59 121.001, Utilities Code;

3-60 (3) a telecommunications provider as defined by
3-61 Section 51.002, Utilities Code;

3-62 (4) a cable operator as defined by 47 U.S.C. Section
3-63 522; or

3-64 (5) a person who provides to the public advanced
3-65 telecommunications services.

3-66 [Sections 8141.154-8141.200 reserved for expansion]

3-67 SUBCHAPTER E. BONDS

3-68 Sec. 8141.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-69 OBLIGATIONS; TAX. (a) The district may issue bonds or other

4-1 obligations as provided by Chapters 49 and 54, Water Code, and to
4-2 finance:

4-3 (1) the construction, maintenance, or operation of
4-4 projects under Sections 8141.102 and 8141.104; or

4-5 (2) the district's contractual obligations under
4-6 Section 8141.106.

4-7 (b) The district may issue bonds or other obligations
4-8 payable wholly or partly from ad valorem taxes, impact fees,
4-9 revenue, grants, or other district money or any combination of
4-10 those sources.

4-11 (c) The district may not issue bonds or other obligations
4-12 secured wholly or partly by ad valorem taxation to finance projects
4-13 authorized by Section 8141.102 unless the issuance is approved by a
4-14 vote of a two-thirds majority of the voters of the district voting
4-15 at an election called for that purpose.

4-16 (d) Bonds or other obligations issued or incurred to finance
4-17 projects authorized by Section 8141.102 may not exceed one-fourth
4-18 of the assessed value of the real property in the district.

4-19 (e) Sections 49.181 and 49.182, Water Code, do not apply to
4-20 a project undertaken by the district under Section 8141.102 or to
4-21 bonds issued by the district to finance the project.

4-22 [Sections 8141.202-8141.250 reserved for expansion]

4-23 SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

4-24 Sec. 8141.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At
4-25 any time before the district issues indebtedness secured by taxes
4-26 or net revenues, the district, including any annexed territory, may
4-27 be divided into two or more new districts.

4-28 (b) A new district created by division of the district must
4-29 be at least 100 acres.

4-30 (c) The board may consider a proposal to divide the district
4-31 on:

4-32 (1) a petition of a landowner in the district; or

4-33 (2) a motion by the board.

4-34 (d) If the board decides to divide the district, the board
4-35 shall:

4-36 (1) set the terms of the division, including names for
4-37 the new districts and a plan for the payment or performance of any
4-38 outstanding district obligations; and

4-39 (2) prepare a metes and bounds description for each
4-40 proposed district.

4-41 Sec. 8141.252. ELECTION FOR DIVISION OF DISTRICT.

4-42 (a) After the board has complied with Section 8141.251(d), the
4-43 board shall hold an election in the district to determine whether
4-44 the district should be divided as proposed.

4-45 (b) The board shall give notice of the election not later
4-46 than the 35th day before the date of the election. The notice must
4-47 state:

4-48 (1) the date and location of the election; and

4-49 (2) the proposition to be voted on.

4-50 (c) If a majority of the votes cast are in favor of the
4-51 division:

4-52 (1) the district shall be divided; and

4-53 (2) not later than the 30th day after the date of the
4-54 election, the district shall provide written notice of the division
4-55 to:

4-56 (A) the Texas Commission on Environmental
4-57 Quality;

4-58 (B) the attorney general;

4-59 (C) the commissioners court of each county in
4-60 which a new district is located; and

4-61 (D) any municipality having extraterritorial
4-62 jurisdiction over territory in each new district.

4-63 (d) If a majority of the votes cast are not in favor of the
4-64 division, the district may not be divided.

4-65 Sec. 8141.253. ELECTION OF DIRECTORS OF NEW DISTRICTS.

4-66 (a) Not later than the 90th day after the date of an election in
4-67 favor of the division of the district, the board shall:

4-68 (1) appoint itself as the board of one of the new
4-69 districts; and

5-1 (2) appoint five directors for each of the other new
 5-2 districts.

5-3 (b) Directors appointed under Subsection (a)(1) serve the
 5-4 staggered terms to which they were elected in the original
 5-5 district. Directors appointed under Subsection (a)(2) serve until
 5-6 the election for directors under Subsection (c).

5-7 (c) On the uniform election date in May of the first
 5-8 even-numbered year after the year in which the directors are
 5-9 appointed, an election shall be held to elect five directors in each
 5-10 district for which directors were appointed under Subsection
 5-11 (a)(2). The directors shall draw lots to determine which two shall
 5-12 serve two-year terms and which three shall serve four-year terms.

5-13 (d) Except as provided by Subsection (c), directors serve
 5-14 staggered four-year terms. On the uniform election date in May of
 5-15 each even-numbered year, the appropriate number of directors shall
 5-16 be elected.

5-17 Sec. 8141.254. CONTINUING POWERS AND OBLIGATIONS OF NEW
 5-18 DISTRICTS. (a) Each new district may incur and pay debts and has
 5-19 all powers of the original district created by this chapter.

5-20 (b) If the district is divided as provided by this
 5-21 subchapter, the current obligations and any bond authorizations of
 5-22 the district are not impaired. Debts shall be paid by revenues or
 5-23 by taxes or assessments imposed on real property in the district as
 5-24 if the district had not been divided or by contributions from each
 5-25 new district as stated in the terms set by the board under Section
 5-26 8141.251(d).

5-27 (c) Any other district obligation shall be divided pro rata
 5-28 among the new districts on an acreage basis or on other terms that
 5-29 are satisfactory to the new districts.

5-30 Sec. 8141.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The
 5-31 new districts may contract with each other for:

- 5-32 (1) water and wastewater services; or
- 5-33 (2) any other matter the boards of the new districts
 5-34 consider appropriate.

5-35 SECTION 2. The Dallas County Municipal Utility District No.
 5-36 3 initially includes all the territory contained in the following
 5-37 described area:

5-38 Being a 320.42 acre tract of land lying and being situated in
 5-39 the G.W. Scott Survey, Abstract 1273, and the Robert Sloan Survey,
 5-40 Abstract 1271, Dallas County, Texas, and being a portion of the
 5-41 tract of land conveyed to Hemyari Kourosh according to the deed
 5-42 filed of record in Volume 2000173, Page 3869, Deed Records of Dallas
 5-43 County, Texas:

5-44 Beginning at a point in the most easterly line of the said
 5-45 Kourosh tract, from which the most northeasterly corner of said
 5-46 Kourosh tract bears North 33° 30' 49" west, a distance of 594.73
 5-47 feet;

5-48 Thence South 33°30'49" East, a distance of 734.38 feet to a point;
 5-49 Thence North 61°23'35" East, a distance of 290.61 feet to a point;
 5-50 Thence South 30°24'29" East, a distance of 1492.63 feet to a point;
 5-51 Thence South 30°22'42" East, a distance of 2122.82 feet to a point in
 5-52 the north line of Pleasant Run Road;

5-53 Thence South 59°40'41" West, along the north line of said road, a
 5-54 distance of 432.63 feet to a point;

5-55 Thence North 28°12'39" West, a distance of 1044.73 feet to a point;
 5-56 Thence South 59°29'32" West, a distance of 3517.87 feet to a point;

5-57 Thence North 28°52'54" West, a distance of 1086.51 feet to a point;
 5-58 Thence South 59°33'45" West, a distance of 2820.16 feet to a point;

5-59 Thence North 30°39'30" West, a distance of 319.83 feet to a point,
 5-60 and the beginning of a curve to the left;

5-61 Thence along said curve having a radius of 2740.00 feet, a chord
 5-62 bearing of North 22°27'37" East, a chord length of 1441.59 feet, and
 5-63 an arc length of 1458.76 feet, to a point;

5-64 Thence North 60°03'47" East, a distance of 1923.47 feet to a point,
 5-65 and the beginning of a curve to the left;

5-66 Thence along said curve having a radius of 2740.00 feet, a chord
 5-67 bearing of North 33°34'54" East, a chord length of 2443.57 feet, and
 5-68 an arc length of 2532.79 feet, to a point;

5-69 Thence North 60°10'01" East, a distance of 1105.17 feet to the POINT

6-1 OF BEGINNING, and containing 320.42 acres of land, more or less.

6-2 SECTION 3. (a) The legal notice of the intention to
6-3 introduce this Act, setting forth the general substance of this
6-4 Act, has been published as provided by law, and the notice and a
6-5 copy of this Act have been furnished to all persons, agencies,
6-6 officials, or entities to which they are required to be furnished
6-7 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-8 Government Code.

6-9 (b) The governor, one of the required recipients, has
6-10 submitted the notice and Act to the Texas Commission on
6-11 Environmental Quality.

6-12 (c) The Texas Commission on Environmental Quality has filed
6-13 its recommendations relating to this Act with the governor, the
6-14 lieutenant governor, and the speaker of the house of
6-15 representatives within the required time.

6-16 (d) All requirements of the constitution and laws of this
6-17 state and the rules and procedures of the legislature with respect
6-18 to the notice, introduction, and passage of this Act are fulfilled
6-19 and accomplished.

6-20 SECTION 4. This Act takes effect immediately if it receives
6-21 a vote of two-thirds of all the members elected to each house, as
6-22 provided by Section 39, Article III, Texas Constitution. If this
6-23 Act does not receive the vote necessary for immediate effect, this
6-24 Act takes effect September 1, 2005.

6-25 * * * * *