

1-1 By: Phillips (Senate Sponsor - Estes) H.B. No. 4097  
1-2 (In the Senate - Received from the House May 14, 2007;  
1-3 May 15, 2007, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 18, 2007, reported favorably by  
1-5 the following vote: Yeas 3, Nays 0; May 18, 2007, sent to  
1-6 printer.)

1-7 A BILL TO BE ENTITLED  
1-8 AN ACT

1-9 relating to the creation of the Gunter Municipal Utility District  
1-10 No. 2; providing authority to impose taxes and issue bonds.

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 8239 to read as follows:

1-14 CHAPTER 8239. GUNTER MUNICIPAL UTILITY DISTRICT NO. 2

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 8239.001. 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 Gunter Municipal Utility  
1-21 District No. 2.

1-22 Sec. 8239.002. NATURE OF DISTRICT. The district is a  
1-23 municipal utility district in Grayson County created under and  
1-24 essential to accomplish the purposes of Section 59, Article XVI,  
1-25 Texas Constitution.

1-26 Sec. 8239.003. CONFIRMATION ELECTION REQUIRED. The board  
1-27 shall hold an election to confirm the creation of the district as  
1-28 provided by Section 49.102, Water Code.

1-29 Sec. 8239.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
1-30 All land and other property included in the district will benefit  
1-31 from the improvements and services to be provided by the district.

1-32 (b) The district is created to accomplish:

1-33 (1) the purposes of a municipal utility district as  
1-34 provided by general law; and

1-35 (2) to the extent authorized by Section 52, Article  
1-36 III, Texas Constitution, the construction, acquisition,  
1-37 improvement, maintenance, or operation of macadamized, graveled,  
1-38 or paved roads or improvements in aid of those roads.

1-39 Sec. 8239.005. 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 the district's:

1-46 (1) organization, existence, or validity;

1-47 (2) right to issue any type of bond for the purposes  
1-48 for which the district is created or to pay the principal of and  
1-49 interest on a bond;

1-50 (3) right to impose or collect an assessment or tax; or

1-51 (4) legality or operation.

1-52 Sec. 8239.006. ANNEXATION BY CITY OF GUNTER.  
1-53 Notwithstanding any other law, if all of the territory of the  
1-54 district is annexed by the City of Gunter into the corporate limits  
1-55 of that municipality before the date of the election under Section  
1-56 8239.003, the district may not be dissolved and shall continue  
1-57 until the district is dissolved under Section 43.074, Local  
1-58 Government Code.

1-59 [Sections 8239.007-8239.050 reserved for expansion]

1-60 SUBCHAPTER B. BOARD OF DIRECTORS

1-61 Sec. 8239.051. DIRECTORS; TERMS. (a) The district is  
1-62 governed by a board of five directors.

1-63 (b) Except as provided by Section 8239.053, directors serve  
1-64 staggered four-year terms.

2-1 Sec. 8239.052. ELECTION OF DIRECTORS. On the uniform  
2-2 election date in May of each even-numbered year, the appropriate  
2-3 number of directors shall be elected.

2-4 Sec. 8239.053. INITIAL DIRECTORS. (a) The initial board  
2-5 consists of:

- 2-6 (1) Jennifer Milstead;
- 2-7 (2) Collette Sallas;
- 2-8 (3) Eddie Collins;
- 2-9 (4) Herschel Pierce; and
- 2-10 (5) Todd Cook.

2-11 (b) Unless the initial board otherwise agrees, the initial  
2-12 directors shall draw lots to determine which two directors shall  
2-13 serve until the first regularly scheduled election of directors and  
2-14 which three directors shall serve until the second regularly  
2-15 scheduled election of directors.

2-16 Sec. 8239.054. CONSENT OF MUNICIPALITY REQUIRED. The  
2-17 initial directors may not hold an election under Section 8239.003  
2-18 until:

2-19 (1) all of the territory of the district is included in  
2-20 the corporate limits of the City of Gunter; and

2-21 (2) the City of Gunter has adopted a resolution  
2-22 consenting to the creation of the district.

2-23 [Sections 8239.055-8239.100 reserved for expansion]

2-24 SUBCHAPTER C. POWERS AND DUTIES

2-25 Sec. 8239.101. MUNICIPAL UTILITY DISTRICT POWERS AND  
2-26 DUTIES. (a) The district has the powers and duties provided by the  
2-27 general law of this state, including Chapters 49 and 54, Water Code,  
2-28 applicable to municipal utility districts created under Section 59,  
2-29 Article XVI, Texas Constitution.

2-30 (b) The district has the powers and duties necessary to  
2-31 accomplish the purposes for which the district is created.

2-32 (c) Notwithstanding Subsection (a), the district may not  
2-33 act as a retail provider of water or wastewater service.

2-34 (d) The district shall make the district's water and  
2-35 wastewater facilities available to an entity holding the applicable  
2-36 certificate of public convenience and necessity.

2-37 Sec. 8239.102. ROAD PROJECTS. (a) To the extent authorized  
2-38 by Section 52, Article III, Texas Constitution, the district may  
2-39 construct, acquire, improve, maintain, or operate macadamized,  
2-40 graveled, or paved roads or improvements in aid of those roads.

2-41 (b) A road project must meet all applicable construction  
2-42 standards, regulations, and ordinances of the municipality or  
2-43 county in whose jurisdiction the district is located.

2-44 (c) If a portion of the territory of the district is  
2-45 excluded from the corporate limits of the City of Gunter, the  
2-46 district shall:

2-47 (1) improve, maintain, repair, and operate the roads  
2-48 located in that portion of territory in accordance with the  
2-49 ordinances and rules of the political subdivision possessing  
2-50 jurisdiction over the roads in that portion of territory; and

2-51 (2) pay the entire cost of performing the district's  
2-52 duties under Subdivision (1).

2-53 Sec. 8239.103. COMPLIANCE WITH MUNICIPAL CONSENT  
2-54 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
2-55 54.016, Water Code, the district shall comply with all applicable  
2-56 requirements of any ordinance or resolution adopted by the  
2-57 governing body of the municipality that consents to the creation of  
2-58 the district or to the inclusion of lands within the district.

2-59 [Sections 8239.104-8239.150 reserved for expansion]

2-60 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-61 Sec. 8239.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
2-62 district may issue, without an election, bonds and other  
2-63 obligations secured by revenue or contract payments from any source  
2-64 other than ad valorem taxation.

2-65 (b) The district must hold an election in the manner  
2-66 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
2-67 before the district may impose an operation and maintenance tax or  
2-68 issue bonds payable from ad valorem taxes.

2-69 Sec. 8239.152. OPERATION AND MAINTENANCE TAX. (a) If

3-1 authorized at an election held under Section 8239.151, the district  
3-2 may impose an operation and maintenance tax on taxable property in  
3-3 the district in accordance with Section 49.107, Water Code.

3-4 (b) The board shall determine the tax rate. The rate may not  
3-5 exceed the rate approved at the election.

3-6 [Sections 8239.153-8239.200 reserved for expansion]

3-7 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-8 Sec. 8239.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3-9 OBLIGATIONS. (a) The district may issue bonds or other obligations  
3-10 payable wholly or partly from ad valorem taxes, impact fees,  
3-11 revenue, grants, or other district money, or any combination of  
3-12 those sources, to pay for any authorized district purpose.

3-13 (b) The district may not issue bonds to finance projects  
3-14 authorized by Section 8239.102 unless the issuance is approved by a  
3-15 vote of a two-thirds majority of the voters of the district voting  
3-16 at an election called for that purpose.

3-17 (c) Bonds or other obligations issued or incurred to finance  
3-18 projects authorized by Section 8239.102 may not exceed one-fourth  
3-19 of the assessed value of the real property in the district.

3-20 Sec. 8239.202. TAXES FOR BONDS. At the time bonds payable  
3-21 wholly or partly from ad valorem taxes are issued:

3-22 (1) the board shall impose a continuing direct annual  
3-23 ad valorem tax, without limit as to rate or amount, for each year  
3-24 that all or part of the bonds are outstanding; and

3-25 (2) the district annually shall impose an ad valorem  
3-26 tax on all taxable property in the district in an amount sufficient  
3-27 to:

3-28 (A) pay the interest on the bonds as the interest  
3-29 becomes due;

3-30 (B) create a sinking fund for the payment of the  
3-31 principal of the bonds when due or the redemption price at any  
3-32 earlier required redemption date; and

3-33 (C) pay the expenses of imposing the taxes.

3-34 SECTION 2. The Gunter Municipal Utility District No. 2  
3-35 initially includes all the territory contained in the following  
3-36 area:

3-37 BEING a tract of land located in the W.H. CAMPBELL SURVEY,  
3-38 ABSTRACT NO. 243, W.M. LAKIN SURVEY, ABSTRACT NO. 714, JOHN  
3-39 McMULLEN AND JAMES McGLOIN SURVEY, ABSTRACT NO. 761, ROBERT MASON  
3-40 SURVEY, ABSTRACT NO. 784 and the THOMAS POLK SURVEY, ABSTRACT NO.  
3-41 938, Grayson County, Texas and being all of a tract of land  
3-42 described as Tract 1 and being part of a tract of land described as  
3-43 Tract 2 in Deed to Crooked Cross Partners, LTD., recorded in Volume  
3-44 3491, Page 263, Deed Records, Grayson County, Texas and being more  
3-45 particularly described as follows:

3-46 BEGINNING at a PK nail found in the approximate center line of  
3-47 Marilee Road, at the Southwest corner of said Tract 2;

3-48 THENCE North 00 degrees 11 minutes 49 seconds West, a  
3-49 distance of 2,905.02 feet to a railroad tie fence post found for  
3-50 corner;

3-51 THENCE North 00 degrees 20 minutes 00 seconds West, a  
3-52 distance of 1,448.81 feet to a 1/2 inch iron rod found at the  
3-53 Northeast corner of a tract of land described in Deed to D.B. Tate,  
3-54 Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed  
3-55 Records, Grayson County, Texas;

3-56 THENCE North 42 degrees 04 minutes 28 seconds East, a  
3-57 distance of 3,007.40 feet to a 1/2 inch iron rod found at the  
3-58 Southwest corner of a tract of land described in deed to Longhorn  
3-59 Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed  
3-60 Records, Grayson County, Texas;

3-61 THENCE South 89 degrees 02 minutes 27 seconds East, a  
3-62 distance of 1,756.30 feet to a 1/2 inch iron rod found at the most  
3-63 Easterly Northeast corner of said Tract 2 and the Northwest corner  
3-64 of said Tract 1;

3-65 THENCE South 88 degrees 58 minutes 07 seconds East, a  
3-66 distance of 2,459.10 feet to a 1/2 inch iron rod with a yellow  
3-67 plastic cap stamped "#5439" found in the approximate centerline of  
3-68 Longhorn Trail Drive at the Northeast corner of said Tract 1 and the  
3-69 Northwest corner of a tract of land described as Tract 2 in Deed to

4-1 Jenchin Partners, LTD., recorded in Volume 3014, Page 569, Deed  
4-2 Records, Grayson County, Texas;

4-3 THENCE South 00 degrees 33 minutes 16 seconds East, along the  
4-4 West line of said Jenchin Tract 2 and said approximate centerline of  
4-5 said Longhorn Trail Drive, a distance of 2,473.20 feet to a 5/8 inch  
4-6 iron rod found at the Southeast corner of said Tract 1 and the  
4-7 Northeast corner of a tract of land described in Deed to J.B. Hunn  
4-8 and wife, Mitzi M. Hunn, recorded in Volume 2625, Page 182, Deed  
4-9 Records, Grayson County, Texas;

4-10 THENCE North 89 degrees 28 minutes 11 seconds West, a  
4-11 distance of 2,498.95 feet to a 5/8 inch iron rod found at the  
4-12 Southwest corner of said Tract 1 in the East line of said Tract 2 at  
4-13 the Northwest corner of said Hunn tract

4-14 THENCE South 00 degrees 32 minutes 49 seconds West, a  
4-15 distance of 2,235.87 feet to a metal fence post found at the  
4-16 Southwest corner of said Hunn tract and the Northwest corner of a  
4-17 tract of a tract of land described in Deed to Thomas O. Eller,  
4-18 recorded in Volume 1281, Page 315, Deed Records, Grayson County,  
4-19 Texas;

4-20 THENCE South 00 degrees 08 minutes 34 seconds East, a  
4-21 distance of 1,878.75 feet to a 1/2 inch iron rod found in the  
4-22 approximate centerline of said Marilee Road at the Southeast corner  
4-23 of said Tract 2 and the Southwest corner of said Eller tract;

4-24 THENCE North 89 degrees 11 minutes 55 seconds West, a  
4-25 distance of 3,720.37 feet To the POINT OF BEGINNING and containing  
4-26 657.166 acres of land, more or less.

4-27 SECTION 3. (a) The legal notice of the intention to  
4-28 introduce this Act, setting forth the general substance of this  
4-29 Act, has been published as provided by law, and the notice and a  
4-30 copy of this Act have been furnished to all persons, agencies,  
4-31 officials, or entities to which they are required to be furnished  
4-32 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
4-33 Government Code.

4-34 (b) The governor, one of the required recipients, has  
4-35 submitted the notice and Act to the Texas Commission on  
4-36 Environmental Quality.

4-37 (c) The Texas Commission on Environmental Quality has filed  
4-38 its recommendations relating to this Act with the governor, the  
4-39 lieutenant governor, and the speaker of the house of  
4-40 representatives within the required time.

4-41 (d) All requirements of the constitution and laws of this  
4-42 state and the rules and procedures of the legislature with respect  
4-43 to the notice, introduction, and passage of this Act are fulfilled  
4-44 and accomplished.

4-45 SECTION 4. This Act takes effect immediately if it receives  
4-46 a vote of two-thirds of all the members elected to each house, as  
4-47 provided by Section 39, Article III, Texas Constitution. If this  
4-48 Act does not receive the vote necessary for immediate effect, this  
4-49 Act takes effect September 1, 2007.

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