

1 AN ACT

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

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
6 Code, is amended by adding Chapter 8238 to read as follows:

7 CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 8238.001. DEFINITIONS. In this chapter:

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

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

13 (3) "District" means the Gunter Municipal Utility  
14 District No. 1.

15 Sec. 8238.002. NATURE OF DISTRICT. The district is a  
16 municipal utility district in Grayson County created under and  
17 essential to accomplish the purposes of Section 59, Article XVI,  
18 Texas Constitution.

19 Sec. 8238.003. CONFIRMATION ELECTION REQUIRED. The board  
20 shall hold an election to confirm the creation of the district as  
21 provided by Section 49.102, Water Code.

22 Sec. 8238.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
23 All land and other property included in the district will benefit  
24 from the improvements and services to be provided by the district.

1       (b) The district is created to accomplish:

2               (1) the purposes of a municipal utility district as  
3 provided by general law; and

4               (2) to the extent authorized by Section 52, Article  
5 III, Texas Constitution, the construction, acquisition,  
6 improvement, maintenance, or operation of macadamized, graveled,  
7 or paved roads or improvements in aid of those roads.

8       Sec. 8238.005. INITIAL DISTRICT TERRITORY. (a) The  
9 district is initially composed of the territory described by  
10 Section 2 of the Act creating this chapter.

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

15               (1) organization, existence, or validity;

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

19               (3) right to impose or collect an assessment or tax; or

20               (4) legality or operation.

21       Sec. 8238.006. ANNEXATION BY CITY OF GUNTER.  
22 Notwithstanding any other law, if all of the territory of the  
23 district is annexed by the City of Gunter into the corporate limits  
24 of that municipality before the date of the election under Section  
25 8238.003, the district may not be dissolved and shall continue  
26 until the district is dissolved under Section 43.074, Local  
27 Government Code.

1 [Sections 8238.007-8238.050 reserved for expansion]

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 8238.051. DIRECTORS; TERMS. (a) The district is  
4 governed by a board of five directors.

5 (b) Except as provided by Section 8238.053, directors serve  
6 staggered four-year terms.

7 Sec. 8238.052. ELECTION OF DIRECTORS. On the uniform  
8 election date in May of each even-numbered year, the appropriate  
9 number of directors shall be elected.

10 Sec. 8238.053. INITIAL DIRECTORS. (a) The initial board  
11 consists of:

12 (1) Erik Nelson;

13 (2) David Kelly;

14 (3) Jeff Sallas;

15 (4) Howell Kemp; and

16 (5) Jill Tate.

17 (b) Unless the initial board otherwise agrees, the initial  
18 directors shall draw lots to determine which two directors shall  
19 serve until the first regularly scheduled election of directors and  
20 which three directors shall serve until the second regularly  
21 scheduled election of directors.

22 Sec. 8238.054. CONSENT OF MUNICIPALITY REQUIRED. The  
23 initial directors may not hold an election under Section 8238.003  
24 until:

25 (1) all of the territory of the district is included in  
26 the corporate limits of the City of Gunter; and

27 (2) the City of Gunter has adopted a resolution

1 consenting to the creation of the district.

2 [Sections 8238.055-8238.100 reserved for expansion]

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 8238.101. MUNICIPAL UTILITY DISTRICT POWERS AND  
5 DUTIES. (a) The district has the powers and duties provided by the  
6 general law of this state, including Chapters 49 and 54, Water Code,  
7 applicable to municipal utility districts created under Section 59,  
8 Article XVI, Texas Constitution.

9 (b) The district has the powers and duties necessary to  
10 accomplish the purposes for which the district is created.

11 (c) Notwithstanding Subsection (a), the district may not  
12 act as a retail provider of water or wastewater service.

13 (d) The district shall make the district's water and  
14 wastewater facilities available to an entity holding the applicable  
15 certificate of public convenience and necessity.

16 Sec. 8238.102. ROAD PROJECTS. (a) To the extent authorized  
17 by Section 52, Article III, Texas Constitution, the district may  
18 construct, acquire, improve, maintain, or operate macadamized,  
19 graveled, or paved roads or improvements in aid of those roads.

20 (b) A road project must meet all applicable standards,  
21 regulations, and ordinances of the municipality or county in whose  
22 jurisdiction the district is located.

23 (c) If a portion of the territory of the district is  
24 excluded from the corporate limits of the City of Gunter, the  
25 district shall:

26 (1) improve, maintain, repair, and operate the roads  
27 located in that portion of territory in accordance with the

1 ordinances and rules of the political subdivision possessing  
2 jurisdiction over the roads in that portion of territory; and

3 (2) pay the entire cost of performing the district's  
4 duties under Subdivision (1).

5 Sec. 8238.103. COMPLIANCE WITH MUNICIPAL CONSENT  
6 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
7 54.016, Water Code, the district shall comply with all applicable  
8 requirements of any ordinance or resolution adopted by the  
9 governing body of the municipality that consents to the creation of  
10 the district or to the inclusion of lands within the district.

11 [Sections 8238.104-8238.150 reserved for expansion]

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

13 Sec. 8238.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
14 district may issue, without an election, bonds and other  
15 obligations secured by revenue or contract payments from any source  
16 other than ad valorem taxation.

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

21 Sec. 8238.152. OPERATION AND MAINTENANCE TAX. (a) If  
22 authorized at an election held under Section 8238.151, the district  
23 may impose an operation and maintenance tax on taxable property in  
24 the district in accordance with Section 49.107, Water Code.

25 (b) The board shall determine the tax rate. The rate may not  
26 exceed the rate approved at the election.

27 [Sections 8238.153-8238.200 reserved for expansion]

1                   SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

2                   Sec. 8238.201. AUTHORITY TO ISSUE BONDS AND OTHER  
3 OBLIGATIONS. (a) The district may issue bonds or other obligations  
4 payable wholly or partly from ad valorem taxes, impact fees,  
5 revenue, grants, or other district money, or any combination of  
6 those sources, to pay for any authorized district purpose.

7                   (b) The district may not issue bonds to finance projects  
8 authorized by Section 8238.102 unless the issuance is approved by a  
9 vote of a two-thirds majority of the voters of the district voting  
10 at an election called for that purpose.

11                   (c) Bonds or other obligations issued or incurred to finance  
12 projects authorized by Section 8238.102 may not exceed one-fourth  
13 of the assessed value of the real property in the district.

14                   Sec. 8238.202. TAXES FOR BONDS. At the time bonds payable  
15 wholly or partly from ad valorem taxes are issued:

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

19                   (2) the district annually shall impose an ad valorem  
20 tax on all taxable property in the district in an amount sufficient  
21 to:

22                                   (A) pay the interest on the bonds as the interest  
23 becomes due;

24                                   (B) create a sinking fund for the payment of the  
25 principal of the bonds when due or the redemption price at any  
26 earlier required redemption date; and

27                                   (C) pay the expenses of imposing the taxes.

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

4 BEING a tract of land located in the JESSE BARKER SURVEY,  
5 ABSTRACT NO. 70, ROBERT MASON SURVEY, ABSTRACT NO. 784 and the  
6 THOMAS POLK SURVEY, ABSTRACT NO. 938, Grayson County, Texas and  
7 being part of a tract of land described as Tract 2 in Deed to Crooked  
8 Cross Partners, LTD., recorded in Volume 3491, Page 263, Deed  
9 Records, Grayson County, Texas and being more particularly  
10 described as follows:

11 BEGINNING at a 1/2 inch square pipe found at the most  
12 Northerly Northwest corner of said Tract 2 and the Northeast corner  
13 of a tract of land described in Deed to Marion Lewis Cole and Linda  
14 Rudolf Cole, recorded in Volume 2796, Page 848, Deed Records,  
15 Grayson County, Texas, said point being the Southeast corner of a  
16 tract of land described in Deed to Martinek Grain and Bins, Inc, a  
17 Texas Corporation recorded in Volume 2352, Page 18, Deed Records  
18 Grayson County, Texas, and the Southwest corner of a tract of land  
19 described in Deed to Kenneth B. Jaresh and Gail A. Jaresh, recorded  
20 in Volume 2344, Page 66, Deed Records, Grayson County, Texas;

21 THENCE along the North line of said Tract 2 the following  
22 three (3) courses and distances:

23 South 88 degrees 57 minutes 20 seconds East, a distance of  
24 941.12 feet to a 1/2 inch square pipe found at the Southeast corner  
25 of said Jaresh tract and the Southwest corner of a tract of land  
26 described in Deed to Beatrice Ann Jaresh, recorded in Volume 1251,  
27 Page 169, Deed Records, Grayson County, Texas;

1 South 88 degrees 45 minutes 17 seconds East, a distance of  
2 739.56 feet to a 1/2 inch iron rod found at the Southeast corner of  
3 said Beatrice Ann Jaresh tract;

4 South 88 degrees 52 minutes 54 seconds East, a distance of  
5 1,736.94 feet to a 1/2 inch iron rod with a red plastic cap stamped  
6 "3258" found at the Northeast corner of said Tract 2 and the  
7 Northwest corner of a tract of land described in Deed to Longhorn  
8 Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed  
9 Records Grayson County, Texas;

10 THENCE South 00 degrees 43 minutes 35 seconds West, leaving  
11 said North line, a distance of 2,252.51 feet to a 1/2 inch iron rod  
12 found at the Southwest corner of said Longhorn tract;

13 THENCE South 42 degrees 04 minutes 28 seconds West, a  
14 distance of 3,007.40 feet to a 1/2 inch iron rod found at the  
15 Northeast corner of a tract of land described in Deed to D.B. Tate,  
16 Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed  
17 records, Grayson County, Texas;

18 THENCE North 89 degrees 19 minutes 32 seconds West, a  
19 distance of 4,477.51 feet to a 1/2 inch iron rod with a yellow  
20 plastic cap stamped "DAA" set in the approximate center line of Old  
21 Scaggs School Road, at the most Northerly Southwest corner of said  
22 Tract 2 from which a 1/2 inch iron rod found bears South 49 degrees  
23 24 minutes 30 seconds West, a distance of 9.55 feet;

24 THENCE along the approximate center line of said Old Scaggs  
25 School Road the following four (4) courses and distances:

26 North 00 degrees 07 minutes 27 seconds West, a distance of  
27 1,448.47 feet to a 1/2 inch iron rod found at the most Southerly



1 Northwest corner of said Tract 2;

2 South 89 degrees 02 minutes 31 seconds East, a distance of  
3 3,081.02 feet to a 1/2 inch iron rod found at a Westerly Ell corner  
4 of said Tract 2 and the Southeast corner of a tract of land  
5 described in Deed to Platinum Ranch Venture, LTD., recorded in  
6 Volume 3072, Page 217, Deed Records, Grayson County, Texas;

7 North 00 degrees 20 minutes 32 seconds East, a distance of  
8 1,561.57 feet to a 1/2 inch iron rod found at the Northeast corner  
9 of said Platinum Ranch Venture tract and the Southeast corner of a  
10 said Cole tract;

11 North 00 degrees 38 minutes 33 seconds East, a distance of  
12 1,540.67 feet to the POINT OF BEGINNING and containing 404.154  
13 acres of land, more or less.

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

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

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

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

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

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President of the Senate

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Speaker of the House

I certify that H.B. No. 4098 was passed by the House on May 11, 2007, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 4098 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

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

Date

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Governor