

By: Phillips

H.B. No. 4098

A BILL TO BE ENTITLED

AN ACT

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

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 8238 to read as follows:

CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8238.001. 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 Gunter Municipal Utility District No. 1.

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

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

Sec. 8238.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) All land and other property included in the district will benefit 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 Sec. 8238.102. ROAD PROJECTS. (a) To the extent authorized  
12 by Section 52, Article III, Texas Constitution, the district may  
13 construct, acquire, improve, maintain, or operate macadamized,  
14 graveled, or paved roads or improvements in aid of those roads.

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

18 Sec. 8238.103. COMPLIANCE WITH MUNICIPAL CONSENT  
19 ORDINANCES OR RESOLUTIONS. Subject to the limitations of Section  
20 54.016, Water Code, the district shall comply with all applicable  
21 requirements of any ordinance or resolution adopted by the  
22 governing body of the municipality that consents to the creation of  
23 the district or to the inclusion of lands within the district.

24 [Sections 8238.104-8238.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 8238.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
27 district may issue, without an election, bonds and other

1 obligations secured by revenue or contract payments from any source  
2 other than ad valorem taxation.

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

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

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

13 [Sections 8238.153-8238.200 reserved for expansion]

14 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

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

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

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

27 Sec. 8238.202. TAXES FOR BONDS. At the time bonds payable

1 wholly or partly from ad valorem taxes are issued:

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

5 (2) the district annually shall impose an ad valorem  
6 tax on all taxable property in the district in an amount sufficient  
7 to:

8 (A) pay the interest on the bonds as the interest  
9 becomes due;

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

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

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

17 BEING a tract of land located in the JESSE BARKER SURVEY,  
18 ABSTRACT NO. 70, ROBERT MASON SURVEY, ABSTRACT NO. 784 and the  
19 THOMAS POLK SURVEY, ABSTRACT NO. 938, Grayson County, Texas and  
20 being part of a tract of land described as Tract 2 in Deed to Crooked  
21 Cross Partners, LTD., recorded in Volume 3491, Page 263, Deed  
22 Records, Grayson County, Texas and being more particularly  
23 described as follows:

24 BEGINNING at a 1/2 inch square pipe found at the most  
25 Northerly Northwest corner of said Tract 2 and the Northeast corner  
26 of a tract of land described in Deed to Marion Lewis Cole and Linda  
27 Rudolf Cole, recorded in Volume 2796, Page 848, Deed Records,

1 Grayson County, Texas, said point being the Southeast corner of a  
2 tract of land described in Deed to Martinek Grain and Bins, Inc, a  
3 Texas Corporation recorded in Volume 2352, Page 18, Deed Records  
4 Grayson County, Texas, and the Southwest corner of a tract of land  
5 described in Deed to Kenneth B. Jaresh and Gail A. Jaresh, recorded  
6 in Volume 2344, Page 66, Deed Records, Grayson County, Texas;

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

9       South 88 degrees 57 minutes 20 seconds East, a distance of  
10 941.12 feet to a 1/2 inch square pipe found at the Southeast corner  
11 of said Jaresh tract and the Southwest corner of a tract of land  
12 described in Deed to Beatrice Ann Jaresh, recorded in Volume 1251,  
13 Page 169, Deed Records, Grayson County, Texas;

14       South 88 degrees 45 minutes 17 seconds East, a distance of  
15 739.56 feet to a 1/2 inch iron rod found at the Southeast corner of  
16 said Beatrice Ann Jaresh tract;

17       South 88 degrees 52 minutes 54 seconds East, a distance of  
18 1,736.94 feet to a 1/2 inch iron rod with a red plastic cap stamped  
19 "3258" found at the Northeast corner of said Tract 2 and the  
20 Northwest corner of a tract of land described in Deed to Longhorn  
21 Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed  
22 Records Grayson County, Texas;

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

26       THENCE South 42 degrees 04 minutes 28 seconds West, a  
27 distance of 3,007.40 feet to a 1/2 inch iron rod found at the

1 Northeast corner of a tract of land described in Deed to D.B. Tate,  
2 Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed  
3 records, Grayson County, Texas;

4       THENCE North 89 degrees 19 minutes 32 seconds West, a  
5 distance of 4,477.51 feet to a 1/2 inch iron rod with a yellow  
6 plastic cap stamped "DAA" set in the approximate center line of Old  
7 Scaggs School Road, at the most Northerly Southwest corner of said  
8 Tract 2 from which a 1/2 inch iron rod found bears South 49 degrees  
9 24 minutes 30 seconds West, a distance of 9.55 feet;

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

12       North 00 degrees 07 minutes 27 seconds West, a distance of  
13 1,448.47 feet to a 1/2 inch iron rod found at the most Southerly  
14 Northwest corner of said Tract 2;

15       South 89 degrees 02 minutes 31 seconds East, a distance of  
16 3,081.02 feet to a 1/2 inch iron rod found at a Westerly Ell corner  
17 of said Tract 2 and the Southeast corner of a tract of land  
18 described in Deed to Platinum Ranch Venture, LTD., recorded in  
19 Volume 3072, Page 217, Deed Records, Grayson County, Texas;

20       North 00 degrees 20 minutes 32 seconds East, a distance of  
21 1,561.57 feet to a 1/2 inch iron rod found at the Northeast corner  
22 of said Platinum Ranch Venture tract and the Southeast corner of a  
23 said Cole tract;

24       North 00 degrees 38 minutes 33 seconds East, a distance of  
25 1,540.67 feet to the POINT OF BEGINNING and containing 404.154  
26 acres of land, more or less.

27       SECTION 3. (a) The legal notice of the intention to



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

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

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

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

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