

1-1 By: Phillips (Senate Sponsor - Estes) H.B. No. 4098
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. 1; 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 8238 to read as follows:

1-14 CHAPTER 8238. GUNTER MUNICIPAL UTILITY DISTRICT NO. 1

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 8238.001. 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. 1.

1-22 Sec. 8238.002. 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. 8238.003. 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. 8238.004. 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. 8238.005. 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. 8238.006. 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 8238.003, 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 8238.007-8238.050 reserved for expansion]

1-60 SUBCHAPTER B. BOARD OF DIRECTORS

1-61 Sec. 8238.051. DIRECTORS; TERMS. (a) The district is
1-62 governed by a board of five directors.

1-63 (b) Except as provided by Section 8238.053, directors serve
1-64 staggered four-year terms.

2-1 Sec. 8238.052. 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. 8238.053. INITIAL DIRECTORS. (a) The initial board
2-5 consists of:

- 2-6 (1) Erik Nelson;
- 2-7 (2) David Kelly;
- 2-8 (3) Jeff Sallas;
- 2-9 (4) Howell Kemp; and
- 2-10 (5) Jill Tate.

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. 8238.054. CONSENT OF MUNICIPALITY REQUIRED. The
2-17 initial directors may not hold an election under Section 8238.003
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 8238.055-8238.100 reserved for expansion]

2-24 SUBCHAPTER C. POWERS AND DUTIES

2-25 Sec. 8238.101. 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. 8238.102. 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 standards,
2-42 regulations, and ordinances of the municipality or county in whose
2-43 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. 8238.103. 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 8238.104-8238.150 reserved for expansion]

2-60 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

2-61 Sec. 8238.151. 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. 8238.152. OPERATION AND MAINTENANCE TAX. (a) If

3-1 authorized at an election held under Section 8238.151, 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 8238.153-8238.200 reserved for expansion]

3-7 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-8 Sec. 8238.201. 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 8238.102 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 8238.102 may not exceed one-fourth
3-19 of the assessed value of the real property in the district.

3-20 Sec. 8238.202. 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. 1
3-35 initially includes all the territory contained in the following
3-36 area:

3-37 BEING a tract of land located in the JESSE BARKER SURVEY,
3-38 ABSTRACT NO. 70, ROBERT MASON SURVEY, ABSTRACT NO. 784 and the
3-39 THOMAS POLK SURVEY, ABSTRACT NO. 938, Grayson County, Texas and
3-40 being part of a tract of land described as Tract 2 in Deed to Crooked
3-41 Cross Partners, LTD., recorded in Volume 3491, Page 263, Deed
3-42 Records, Grayson County, Texas and being more particularly
3-43 described as follows:

3-44 BEGINNING at a 1/2 inch square pipe found at the most
3-45 Northerly Northwest corner of said Tract 2 and the Northeast corner
3-46 of a tract of land described in Deed to Marion Lewis Cole and Linda
3-47 Rudolf Cole, recorded in Volume 2796, Page 848, Deed Records,
3-48 Grayson County, Texas, said point being the Southeast corner of a
3-49 tract of land described in Deed to Martinek Grain and Bins, Inc, a
3-50 Texas Corporation recorded in Volume 2352, Page 18, Deed Records
3-51 Grayson County, Texas, and the Southwest corner of a tract of land
3-52 described in Deed to Kenneth B. Jaresh and Gail A. Jaresh, recorded
3-53 in Volume 2344, Page 66, Deed Records, Grayson County, Texas;

3-54 THENCE along the North line of said Tract 2 the following
3-55 three (3) courses and distances:

3-56 South 88 degrees 57 minutes 20 seconds East, a distance of
3-57 941.12 feet to a 1/2 inch square pipe found at the Southeast corner
3-58 of said Jaresh tract and the Southwest corner of a tract of land
3-59 described in Deed to Beatrice Ann Jaresh, recorded in Volume 1251,
3-60 Page 169, Deed Records, Grayson County, Texas;

3-61 South 88 degrees 45 minutes 17 seconds East, a distance of
3-62 739.56 feet to a 1/2 inch iron rod found at the Southeast corner of
3-63 said Beatrice Ann Jaresh tract;

3-64 South 88 degrees 52 minutes 54 seconds East, a distance of
3-65 1,736.94 feet to a 1/2 inch iron rod with a red plastic cap stamped
3-66 "3258" found at the Northeast corner of said Tract 2 and the
3-67 Northwest corner of a tract of land described in Deed to Longhorn
3-68 Trail Ranch II, LTD., recorded in Volume 3768, Page 454, Deed
3-69 Records Grayson County, Texas;

4-1 THENCE South 00 degrees 43 minutes 35 seconds West, leaving
4-2 said North line, a distance of 2,252.51 feet to a 1/2 inch iron rod
4-3 found at the Southwest corner of said Longhorn tract;

4-4 THENCE South 42 degrees 04 minutes 28 seconds West, a
4-5 distance of 3,007.40 feet to a 1/2 inch iron rod found at the
4-6 Northeast corner of a tract of land described in Deed to D.B. Tate,
4-7 Jr. and Betty Jane Tate, recorded in Volume 2460, Page 683, Deed
4-8 records, Grayson County, Texas;

4-9 THENCE North 89 degrees 19 minutes 32 seconds West, a
4-10 distance of 4,477.51 feet to a 1/2 inch iron rod with a yellow
4-11 plastic cap stamped "DAA" set in the approximate center line of Old
4-12 Scaggs School Road, at the most Northerly Southwest corner of said
4-13 Tract 2 from which a 1/2 inch iron rod found bears South 49 degrees
4-14 24 minutes 30 seconds West, a distance of 9.55 feet;

4-15 THENCE along the approximate center line of said Old Scaggs
4-16 School Road the following four (4) courses and distances:

4-17 North 00 degrees 07 minutes 27 seconds West, a distance of
4-18 1,448.47 feet to a 1/2 inch iron rod found at the most Southerly
4-19 Northwest corner of said Tract 2;

4-20 South 89 degrees 02 minutes 31 seconds East, a distance of
4-21 3,081.02 feet to a 1/2 inch iron rod found at a Westerly Ell corner
4-22 of said Tract 2 and the Southeast corner of a tract of land
4-23 described in Deed to Platinum Ranch Venture, LTD., recorded in
4-24 Volume 3072, Page 217, Deed Records, Grayson County, Texas;

4-25 North 00 degrees 20 minutes 32 seconds East, a distance of
4-26 1,561.57 feet to a 1/2 inch iron rod found at the Northeast corner
4-27 of said Platinum Ranch Venture tract and the Southeast corner of a
4-28 said Cole tract;

4-29 North 00 degrees 38 minutes 33 seconds East, a distance of
4-30 1,540.67 feet to the POINT OF BEGINNING and containing 404.154
4-31 acres of land, more or less.

4-32 SECTION 3. (a) The legal notice of the intention to
4-33 introduce this Act, setting forth the general substance of this
4-34 Act, has been published as provided by law, and the notice and a
4-35 copy of this Act have been furnished to all persons, agencies,
4-36 officials, or entities to which they are required to be furnished
4-37 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4-38 Government Code.

4-39 (b) The governor, one of the required recipients, has
4-40 submitted the notice and Act to the Texas Commission on
4-41 Environmental Quality.

4-42 (c) The Texas Commission on Environmental Quality has filed
4-43 its recommendations relating to this Act with the governor, the
4-44 lieutenant governor, and the speaker of the house of
4-45 representatives within the required time.

4-46 (d) All requirements of the constitution and laws of this
4-47 state and the rules and procedures of the legislature with respect
4-48 to the notice, introduction, and passage of this Act are fulfilled
4-49 and accomplished.

4-50 SECTION 4. This Act takes effect immediately if it receives
4-51 a vote of two-thirds of all the members elected to each house, as
4-52 provided by Section 39, Article III, Texas Constitution. If this
4-53 Act does not receive the vote necessary for immediate effect, this
4-54 Act takes effect September 1, 2007.

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