

1-1 By: Duncan S.B. No. 2506
1-2 (In the Senate - Filed April 7, 2009; April 8, 2009, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 28, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 28, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 2506 By: Nichols

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the creation of the Gray County Municipal Utility
1-11 District No. 1; providing authority to impose a tax and issue bonds;
1-12 granting a limited power of eminent domain.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-14 SECTION 1. Subtitle F, Title 6, Special District Local Laws
1-15 Code, is amended by adding Chapter 8319 to read as follows:

1-16 CHAPTER 8319. GRAY COUNTY MUNICIPAL UTILITY DISTRICT NO. 1
1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 8319.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the district's board of directors.

1-20 (2) "Director" means a board member.

1-21 (3) "District" means the Gray County Municipal Utility
1-22 District No. 1.

1-23 Sec. 8319.002. NATURE OF DISTRICT. The district is a
1-24 municipal utility district created under Section 59, Article XVI,
1-25 Texas Constitution.

1-26 Sec. 8319.003. CONFIRMATION AND DIRECTORS' ELECTION
1-27 REQUIRED. The temporary directors shall hold an election to
1-28 confirm the creation of the district and to elect five permanent
1-29 directors as provided by Section 49.102, Water Code.

1-30 Sec. 8319.004. CONSENT OF MUNICIPALITY REQUIRED. The
1-31 temporary directors may not hold an election under Section 8319.003
1-32 until each municipality in whose corporate limits or
1-33 extraterritorial jurisdiction the district is located has
1-34 consented by ordinance or resolution to the creation of the
1-35 district and to the inclusion of land in the district.

1-36 Sec. 8319.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
1-37 (a) The district is created to serve a public purpose and benefit.

1-38 (b) The district is created to accomplish the purposes of:

1-39 (1) a municipal utility district as provided by
1-40 general law and Section 59, Article XVI, Texas Constitution; and

1-41 (2) Section 52, Article III, Texas Constitution, that
1-42 relate to the construction, acquisition, improvement, operation,
1-43 or maintenance of macadamized, graveled, or paved roads, or
1-44 improvements, including storm drainage, in aid of those roads.

1-45 Sec. 8319.006. INITIAL DISTRICT TERRITORY. (a) The
1-46 district is initially composed of the territory described by
1-47 Section 2 of the Act creating this chapter.

1-48 (b) The boundaries and field notes contained in Section 2 of
1-49 the Act creating this chapter form a closure. A mistake made in the
1-50 field notes or in copying the field notes in the legislative process
1-51 does not affect the district's:

1-52 (1) organization, existence, or validity;

1-53 (2) right to issue any type of bond for the purposes
1-54 for which the district is created or to pay the principal of and
1-55 interest on a bond;

1-56 (3) right to impose a tax; or

1-57 (4) legality or operation.

1-58 [Sections 8319.007-8319.050 reserved for expansion]

1-59 SUBCHAPTER B. BOARD OF DIRECTORS

1-60 Sec. 8319.051. GOVERNING BODY; TERMS. (a) The district is
1-61 governed by a board of five elected directors.

1-62 (b) Except as provided by Section 8319.052, directors serve
1-63 staggered four-year terms.

2-1 Sec. 8319.052. TEMPORARY DIRECTORS. (a) On or after the
2-2 effective date of the Act creating this chapter, the owner or owners
2-3 of a majority of the assessed value of the real property in the
2-4 district may submit a petition to the Texas Commission on
2-5 Environmental Quality requesting that the commission appoint as
2-6 temporary directors the five persons named in the petition. The
2-7 commission shall appoint as temporary directors the five persons
2-8 named in the petition.

2-9 (b) Temporary directors serve until the earlier of:
2-10 (1) the date permanent directors are elected under
2-11 Section 8319.003; or
2-12 (2) the fourth anniversary of the effective date of
2-13 the Act creating this chapter.

2-14 (c) If permanent directors have not been elected under
2-15 Section 8319.003 and the terms of the temporary directors have
2-16 expired, successor temporary directors shall be appointed or
2-17 reappointed as provided by Subsection (d) to serve terms that
2-18 expire on the earlier of:

2-19 (1) the date permanent directors are elected under
2-20 Section 8319.003; or
2-21 (2) the fourth anniversary of the date of the
2-22 appointment or reappointment.

2-23 (d) If Subsection (c) applies, the owner or owners of a
2-24 majority of the assessed value of the real property in the district
2-25 may submit a petition to the Texas Commission on Environmental
2-26 Quality requesting that the commission appoint as successor
2-27 temporary directors the five persons named in the petition. The
2-28 commission shall appoint as successor temporary directors the five
2-29 persons named in the petition.

2-30 [Sections 8319.053-8319.100 reserved for expansion]

2-31 SUBCHAPTER C. POWERS AND DUTIES

2-32 Sec. 8319.101. GENERAL POWERS AND DUTIES. The district has
2-33 the powers and duties necessary to accomplish the purposes for
2-34 which the district is created.

2-35 Sec. 8319.102. MUNICIPAL UTILITY DISTRICT POWERS AND
2-36 DUTIES. The district has the powers and duties provided by the
2-37 general law of this state, including Chapters 49 and 54, Water Code,
2-38 applicable to municipal utility districts created under Section 59,
2-39 Article XVI, Texas Constitution.

2-40 Sec. 8319.103. AUTHORITY FOR ROAD PROJECTS. Under Section
2-41 52, Article III, Texas Constitution, the district may design,
2-42 acquire, construct, finance, issue bonds for, improve, operate,
2-43 maintain, and convey to this state, a county, or a municipality for
2-44 operation and maintenance macadamized, graveled, or paved roads, or
2-45 improvements, including storm drainage, in aid of those roads.

2-46 Sec. 8319.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
2-47 road project must meet all applicable construction standards,
2-48 zoning and subdivision requirements, and regulations of each
2-49 municipality in whose corporate limits or extraterritorial
2-50 jurisdiction the road project is located.

2-51 (b) If a road project is not located in the corporate limits
2-52 or extraterritorial jurisdiction of a municipality, the road
2-53 project must meet all applicable construction standards,
2-54 subdivision requirements, and regulations of each county in which
2-55 the road project is located.

2-56 (c) If the state will maintain and operate the road, the
2-57 Texas Transportation Commission must approve the plans and
2-58 specifications of the road project.

2-59 Sec. 8319.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
2-60 OR RESOLUTION. The district shall comply with all applicable
2-61 requirements of any ordinance or resolution that is adopted under
2-62 Section 54.016 or 54.0165, Water Code, and that consents to the
2-63 creation of the district or to the inclusion of land in the
2-64 district.

2-65 Sec. 8319.106. DIVISION OF DISTRICT. (a) The district may
2-66 be divided into two or more new districts only if the district:

2-67 (1) has no outstanding bonded debt; and
2-68 (2) is not imposing ad valorem taxes.

2-69 (b) This chapter applies to any new district created by the

3-1 division of the district, and a new district has all the powers and
3-2 duties of the district.
3-3 (c) Any new district created by the division of the district
3-4 may not, at the time the new district is created, contain any land
3-5 outside the area described by Section 2 of the Act creating this
3-6 chapter.
3-7 (d) The board, on its own motion or on receipt of a petition
3-8 signed by the owner or owners of a majority of the assessed value of
3-9 the real property in the district, may adopt an order dividing the
3-10 district.
3-11 (e) The board may adopt an order dividing the district
3-12 before or after the date the board holds an election under Section
3-13 8319.003 to confirm the district's creation.
3-14 (f) An order dividing the district shall:
3-15 (1) name each new district;
3-16 (2) include the metes and bounds description of the
3-17 territory of each new district;
3-18 (3) appoint temporary directors for each new district
3-19 or provide that the owner or owners of a majority of the assessed
3-20 value of the real property in each new district may submit a
3-21 petition to the Texas Commission on Environmental Quality
3-22 requesting that the commission appoint as temporary directors the
3-23 five persons named in the petition; and
3-24 (4) provide for the division of assets and liabilities
3-25 between or among the new districts.
3-26 (g) On or before the 30th day after the date of adoption of
3-27 an order dividing the district, the district shall file the order
3-28 with the Texas Commission on Environmental Quality and record the
3-29 order in the real property records of each county in which the
3-30 district is located.
3-31 (h) Any new district created by the division of the district
3-32 shall hold a confirmation and directors' election as required by
3-33 Section 8319.003. A new district that is not confirmed is subject
3-34 to dissolution under general law.
3-35 (i) Municipal consent to the creation of the district and to
3-36 the inclusion of land in the district granted under Section
3-37 8319.004 acts as municipal consent to the creation of any new
3-38 district created by the division of the district and to the
3-39 inclusion of land in the new district.
3-40 (j) Any new district created by the division of the district
3-41 must hold an election as required by this chapter to obtain voter
3-42 approval before the district may impose a maintenance tax or issue
3-43 bonds payable wholly or partly from ad valorem taxes.
3-44 Sec. 8319.107. LIMITATION ON USE OF EMINENT DOMAIN.
3-45 (a) The district may not exercise the power of eminent domain
3-46 outside the district to acquire a site or easement for:
3-47 (1) a road project authorized by Section 8319.103; or
3-48 (2) a recreational facility as defined by Section
3-49 49.462, Water Code.
3-50 (b) The district may not exercise the power of eminent
3-51 domain to acquire land, an easement, or other property that is
3-52 located more than five miles outside the district's boundaries.
3-53 [Sections 8319.108-8319.150 reserved for expansion]
3-54 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
3-55 Sec. 8319.151. ELECTIONS REGARDING TAXES OR BONDS.
3-56 (a) The district may issue, without an election, bonds and other
3-57 obligations secured by:
3-58 (1) revenue other than ad valorem taxes; or
3-59 (2) contract payments described by Section 8319.153.
3-60 (b) The district must hold an election in the manner
3-61 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-62 before the district may impose an ad valorem tax or issue bonds
3-63 payable from ad valorem taxes.
3-64 (c) The district may not issue bonds payable from ad valorem
3-65 taxes to finance a road project unless the issuance is approved by a
3-66 vote of a two-thirds majority of the district voters voting at an
3-67 election held for that purpose.
3-68 Sec. 8319.152. OPERATION AND MAINTENANCE TAX. (a) If
3-69 authorized at an election held under Section 8319.151, the district

4-1 may impose an operation and maintenance tax on taxable property in
4-2 the district in accordance with Section 49.107, Water Code.

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

4-5 Sec. 8319.153. CONTRACT TAXES. (a) In accordance with
4-6 Section 49.108, Water Code, the district may impose a tax other than
4-7 an operation and maintenance tax and use the revenue derived from
4-8 the tax to make payments under a contract after the provisions of
4-9 the contract have been approved by a majority of the district voters
4-10 voting at an election held for that purpose.

4-11 (b) A contract approved by the district voters may contain a
4-12 provision stating that the contract may be modified or amended by
4-13 the board without further voter approval.

4-14 [Sections 8319.154-8319.200 reserved for expansion]

4-15 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-16 Sec. 8319.201. AUTHORITY TO ISSUE BONDS AND OTHER
4-17 OBLIGATIONS. The district may issue bonds or other obligations
4-18 payable wholly or partly from ad valorem taxes, impact fees,
4-19 revenue, contract payments, grants, or other district money, or any
4-20 combination of those sources, to pay for any authorized district
4-21 purpose.

4-22 Sec. 8319.202. TAXES FOR BONDS. At the time the district
4-23 issues bonds payable wholly or partly from ad valorem taxes, the
4-24 board shall provide for the annual imposition of a continuing
4-25 direct ad valorem tax, without limit as to rate or amount, while all
4-26 or part of the bonds are outstanding as required and in the manner
4-27 provided by Sections 54.601 and 54.602, Water Code.

4-28 Sec. 8319.203. BONDS FOR ROAD PROJECTS. At the time of
4-29 issuance, the total principal amount of bonds or other obligations
4-30 issued or incurred to finance road projects and payable from ad
4-31 valorem taxes may not exceed one-fourth of the assessed value of the
4-32 real property in the district.

4-33 SECTION 2. The Gray County Municipal Utility District No. 1
4-34 initially includes all the territory contained in the following
4-35 area:

4-36 Tract NO. 1

4-37 All that certain tract or parcel of land in Sections 117, 118 & 99,
4-38 Block 3, I.& G.N. Survey, Gray County, Texas, being more
4-39 particularly described as follows;

4-40 BEGINNING at a 1" Iron Pipe found for the Southwest corner of said
4-41 Section 99 and Northeast corner of said Section 117;

4-42 THENCE S 00°02'26"E, along the East line of said Section 117 a
4-43 distance of 2644.35 feet to a corner of this tract or parcel and
4-44 being a corner of said Wal-Mart Addition;

4-45 THENCE S 89°19'48"W, along the South line of the Northeast quarter
4-46 of said Section 117 a distance of 2641.67 feet to the Southwest
4-47 corner of this tract or parcel;

4-48 THENCE N 00°03'03"W, along the West line of said Northeast quarter a
4-49 distance of 2635.44 feet to the Northwest corner of said Northeast
4-50 quarter and being a corner of this tract or parcel;

4-51 THENCE N 00°03'40"W, along the west line of the Southeast quarter of
4-52 said Section 118 a distance of 2663.23 feet to the Northwest corner
4-53 of said Southeast quarter and being a corner of this tract or
4-54 parcel;

4-55 THENCE S 89°17'07"W, along the South line of the Northwest quarter
4-56 of said Section 118 a distance of 2642.14 feet to the Southwest
4-57 corner of said Northwest quarter and being a corner of this tract or
4-58 parcel;

4-59 THENCE N 00°03'39"W, along the West line of said Section 118 and
4-60 being the center line of a State of Texas Right of way Easement
4-61 recorded in Volume 222, Page 456, Deed Records, Gray County, Texas,
4-62 a distance of 2670.07 feet to the Northwest corner of this tract or
4-63 parcel and being the Northwest corner of said Section 118;

4-64 THENCE N 89°26'01"E, along the North line of said Section 118 a
4-65 distance of 5284.13 feet to a 1 1/2" Iron Pipe found for a corner of
4-66 this tract or parcel and being the Northeast corner of said Section
4-67 118;

4-68 THENCE N 89°26'01"E, along the North line of said Section 99, at
4-69 2689.59 feet pass a Iron Rod with Cap found for the Southwest corner

5-1 of Walnut Creek Addition, at 4653.89 feet pass a Iron Rod found for
 5-2 the Southeast corner of said Walnut Creek Addition and continuing a
 5-3 total distance of 5200.16 feet to the Northeast corner of this tract
 5-4 or parcel on the West Right of Way of State Highway 70;
 5-5 THENCE S 00°09'09"E, along the West Right of Way of State Highway 70
 5-6 recorded in Volume 126, Page 298, Deed Records, Gray County, Texas,
 5-7 a distance of 1632.06 feet to a corner of this tract or parcel;
 5-8 THENCE, along said West Right of Way, being a tangent curve to the
 5-9 right having a Delta angle of 30°00'00", a Radius of 2804.79 feet,
 5-10 and an Arc Length of 1468.58 feet to a corner of this tract or
 5-11 parcel;
 5-12 THENCE S 29°53'14"W, along said West Right of Way, a distance of
 5-13 2624.82 feet to a corner of this tract or parcel;
 5-14 THENCE S 89°08'13"W, along the South line of said Section 99, a
 5-15 distance of 3518.98 feet to the POINT of BEGINNING and containing
 5-16 1220.21 Acres, more or less.

Tract No. 2

5-17 All that certain tract or parcel of land in Section 99, Block 3, I.&
 5-18 GEN.. Survey, Gray County, Texas, being more particularly described
 5-19 as follows;
 5-20 BEGINNING at a point on the East line of said Section 99 from whence
 5-21 a 1 1/4" Iron Pipe found for the Southeast corner of said Section 99
 5-22 bears S 00°09'09"E a distance of 1579.46 feet;
 5-23 THENCE N 60°06'48"W, along the Northerly Right of way of Loop 171
 5-24 recorded in Volume 337, Page 5, Deed Records, Gray County, Texas, a
 5-25 distance of 492.62 feet to a highway monument found for a corner of
 5-26 this tract or parcel;
 5-27 THENCE N 15°34'30"W, along said Right of Way, a distance of 141.09
 5-28 feet to a highway monument found for a corner of this tract or
 5-29 parcel;
 5-30 THENCE N 29°53'14"E, along the Easterly Right of Way of State
 5-31 Highway 70 recorded in Volume 126, Page 298, Deed Records, Gray
 5-32 County, Texas, a distance of 263.93 feet to a corner of this tract
 5-33 or parcel;
 5-34 THENCE, along said Right of Way, being a tangent curve to the left
 5-35 having a Delta angle of 18°22'28", a Radius of 2924.79 feet and an
 5-36 Arc Length of 937.97 feet to the most Northerly corner of this tract
 5-37 or parcel;
 5-38 THENCE S 00°09'09"E, along the East line of said Section 99, a
 5-39 distance of 1484.10 feet to the POINT of BEGINNING and containing
 5-40 7.47 Acres, more or less.

Tract No. 3

5-41 All that certain tract or parcel of land in Section 99, Block 3, I.&
 5-42 G.N. Survey, Gray County, Texas, being more particularly described
 5-43 as follows;
 5-44 BEGINNING at a point on the South line of said Section 99 from
 5-45 whence a 1 1/4" Iron Pipe found for the Southeast corner of said
 5-46 Section 99 bears N 89°08'13"E a distance of 930.49 feet;
 5-47 THENCE S 89°08'13"W, along the South line of said Section 99, a
 5-48 distance of 679.78 feet to Southwest corner of this tract or parcel;
 5-49 THENCE N 29°53'14"E, along the East Right of Way of State Highway 70
 5-50 recorded in Volume 126, Page 298, Deed Records, Gray County, Texas,
 5-51 a distance of 1939.41 feet to a highway monument found for a corner
 5-52 of this tract or parcel;
 5-53 THENCE N 74°33'57"E, along the Southerly Right of way of Loop 171
 5-54 recorded in Volume 337, Page 5, Deed Records, Gray County, Texas, a
 5-55 distance of 141.93 feet to a highway monument found for a corner of
 5-56 this tract or parcel;
 5-57 THENCE S 60°08'25"E, along said Right of Way, a distance of 580.14
 5-58 feet to a corner of this tract or parcel;
 5-59 THENCE S 00°09'09"E, along the East line of said Section 99, a
 5-60 distance of 463.19 feet to a corner of this tract or parcel;
 5-61 THENCE S 02°50'51"W a distance of 99.97 feet to a corner of this
 5-62 tract or parcel;
 5-63 THENCE S 08°50'51"W a distance of 100.00 feet to a corner of this
 5-64 tract or parcel;
 5-65 THENCE S 14°50'51"W a distance of 100.00 feet to a corner of this
 5-66 tract or parcel;
 5-67 THENCE S 20°50'51"W a distance of 100.00 feet to a corner of this
 5-68 tract or parcel;
 5-69 THENCE S 20°50'51"W a distance of 100.00 feet to a corner of this

6-1 tract or parcel;
6-2 THENCE S 26°50'51"W a distance of 100.00 feet to a corner of this
6-3 tract or parcel;
6-4 THENCE S 32°50'51"W a distance of 100.00 feet to a corner of this
6-5 tract or parcel;
6-6 THENCE S 38°50'51"W a distance of 100.00 feet to a corner of this
6-7 tract or parcel;
6-8 THENCE S 44°50'51"W a distance of 100.00 feet to a corner of this
6-9 tract or parcel;
6-10 THENCE S 50°50'51"W a distance of 100.00 feet to a corner of this
6-11 tract or parcel;
6-12 THENCE S 56°50'51"W a distance of 100.00 feet to a corner of this
6-13 tract or parcel;
6-14 THENCE S 62°50'51"W a distance of 100.00 feet to a corner of this
6-15 tract or parcel;
6-16 THENCE S 68°50'51"W a distance of 100.00 feet to a corner of this
6-17 tract or parcel;
6-18 THENCE S 74°50'51"W a distance of 100.00 feet to a corner of this
6-19 tract or parcel;
6-20 THENCE S 80°50'51"W a distance of 100.00 feet to a corner of this
6-21 tract or parcel;
6-22 THENCE S 86°28'51"W a distance of 75.04 feet to the POINT of
6-23 BEGINNING and containing 37.40 Acres, more or less.

6-24 SAID TRACTS CONTAIN 1,265.08 ACRES OF LAND, MORE OR LESS.

6-25 SECTION 3. (a) The legal notice of the intention to
6-26 introduce this Act, setting forth the general substance of this
6-27 Act, has been published as provided by law, and the notice and a
6-28 copy of this Act have been furnished to all persons, agencies,
6-29 officials, or entities to which they are required to be furnished
6-30 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
6-31 Government Code.

6-32 (b) The governor, one of the required recipients, has
6-33 submitted the notice and Act to the Texas Commission on
6-34 Environmental Quality.

6-35 (c) The Texas Commission on Environmental Quality has filed
6-36 its recommendations relating to this Act with the governor, the
6-37 lieutenant governor, and the speaker of the house of
6-38 representatives within the required time.

6-39 (d) All requirements of the constitution and laws of this
6-40 state and the rules and procedures of the legislature with respect
6-41 to the notice, introduction, and passage of this Act are fulfilled
6-42 and accomplished.

6-43 SECTION 4. This Act takes effect immediately if it receives
6-44 a vote of two-thirds of all the members elected to each house, as
6-45 provided by Section 39, Article III, Texas Constitution. If this
6-46 Act does not receive the vote necessary for immediate effect, this
6-47 Act takes effect September 1, 2009.

6-48 * * * * *