

1-1 By: Pitts (Senate Sponsor - Birdwell) H.B. No. 3877
 1-2 (In the Senate - Received from the House May 14, 2013;
 1-3 May 14, 2013, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 17, 2013, reported favorably by
 1-5 the following vote: Yeas 3, Nays 0; May 17, 2013, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9			X	
1-10	X			
1-11			X	
1-12	X			
1-13			X	

1-14 A BILL TO BE ENTITLED
 1-15 AN ACT

1-16 relating to the powers and duties of the Ellis County Municipal
 1-17 Utility District No. 1; granting a limited power of eminent domain;
 1-18 providing authority to issue bonds; providing authority to impose
 1-19 taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-22 Code, is amended by adding Chapter 8467 to read as follows:

1-23 CHAPTER 8467. ELLIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 8467.001. DEFINITIONS. In this chapter:

1-26 (1) "Board" means the district's board of directors.

1-27 (2) "Director" means a board member.

1-28 (3) "District" means the Ellis County Municipal
 1-29 Utility District No. 1.

1-30 Sec. 8467.002. NATURE OF DISTRICT. The district is a
 1-31 municipal utility district created under and essential to
 1-32 accomplish the purposes of Section 52, Article III, and Section 59,
 1-33 Article XVI, Texas Constitution.

1-34 Sec. 8467.003. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
 1-35 All land and other property in the district will benefit from the
 1-36 improvements and services to be provided by the district.

1-37 (b) The district is created to accomplish the purposes of
 1-38 Section 52, Article III, Texas Constitution, that relate to the
 1-39 construction, acquisition, improvement, operation, or maintenance
 1-40 of macadamized, graveled, or paved roads, or improvements,
 1-41 including storm drainage, in aid of those roads.

1-42 Sec. 8467.004. ANNEXATION BY MUNICIPALITY. Notwithstanding
 1-43 any other law, on the written consent of the landowners and the
 1-44 district, a municipality in whose extraterritorial jurisdiction
 1-45 the district is located may annex a portion of the district. The
 1-46 district is not dissolved as a result of an annexation under this
 1-47 section.

1-48 Sec. 8467.005. LIMITED-PURPOSE ANNEXATION BY A
 1-49 MUNICIPALITY. (a) Notwithstanding any other law, the governing
 1-50 body of a municipality in whose extraterritorial jurisdiction the
 1-51 district is located may:

1-52 (1) enter into a strategic partnership agreement with
 1-53 the district; and

1-54 (2) annex all or a portion of the district for limited
 1-55 purposes under Section 43.0751, Local Government Code.

1-56 (b) An individual residing in the district is considered an
 1-57 inhabitant of a municipality for the purposes of determining the
 1-58 population of the municipality under Section 5, Article XI, Texas
 1-59 Constitution.

1-60 SUBCHAPTER B. POWERS AND DUTIES

1-61 Sec. 8467.051. MUNICIPAL UTILITY DISTRICT POWERS AND

2-1 DUTIES. The district has the powers and duties provided by the
 2-2 general law of this state, including Chapters 49 and 54, Water Code,
 2-3 applicable to municipal utility districts created under Section 59,
 2-4 Article XVI, Texas Constitution.

2-5 Sec. 8467.052. DIVISION OF DISTRICT. (a) The district may
 2-6 be divided into two or more new districts only if the district:

- 2-7 (1) has no outstanding bonded debt; and
- 2-8 (2) is not imposing ad valorem taxes.

2-9 (b) This chapter applies to any new district created by the
 2-10 division of the district, and a new district has all the powers and
 2-11 duties of the district.

2-12 (c) Any new district created by the division of the district
 2-13 may not, at the time the new district is created, contain any land
 2-14 outside the territory of the district as it existed on the date the
 2-15 district was created.

2-16 (d) The board, on its own motion or on receipt of a petition
 2-17 signed by the owner or owners of a majority of the assessed value of
 2-18 the real property in the district, may adopt an order dividing the
 2-19 district.

2-20 (e) An order dividing the district must:

- 2-21 (1) name each new district;
- 2-22 (2) include the metes and bounds description of the
 2-23 territory of each new district;
- 2-24 (3) appoint temporary directors for each new district;

2-25 and

- 2-26 (4) provide for the division of assets and liabilities
 2-27 between or among the new districts.

2-28 (f) On or before the 30th day after the date of adoption of
 2-29 an order dividing the district, the district shall file the order
 2-30 with the Texas Commission on Environmental Quality and record the
 2-31 order in the real property records of each county in which the
 2-32 district is located.

2-33 (g) Any new district created by the division of the district
 2-34 shall hold a confirmation and directors' election as provided by
 2-35 Section 49.102, Water Code.

2-36 (h) Municipal consent to the creation of the district and to
 2-37 the inclusion of land in the district acts as municipal consent to
 2-38 the creation of any new district created by the division of the
 2-39 district and to the inclusion of land in the new district.

2-40 (i) Any new district created by the division of the district
 2-41 must hold an election as required by this chapter to obtain voter
 2-42 approval before the district may impose a maintenance tax or issue
 2-43 bonds payable wholly or partly from ad valorem taxes.

2-44 Sec. 8467.053. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-45 52, Article III, Texas Constitution, the district may acquire,
 2-46 construct, improve, operate, or maintain macadamized, graveled, or
 2-47 paved roads or turnpikes, or improvements in aid of those roads or
 2-48 turnpikes inside the district.

2-49 Sec. 8467.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road
 2-50 project must meet all applicable construction standards, zoning and
 2-51 subdivision requirements, and regulations of each municipality in
 2-52 whose corporate limits the district is located.

2-53 (b) If a district is not located in the corporate limits of a
 2-54 municipality and is not subject to a development agreement with a
 2-55 municipality, a road project must meet all applicable construction
 2-56 standards, zoning and subdivision requirements, and regulations of
 2-57 each county in which the district is located.

2-58 (c) The district may not undertake a road project unless
 2-59 each municipality in whose corporate limits or extraterritorial
 2-60 jurisdiction the district is located consents by resolution.

2-61 Sec. 8467.055. COMPLIANCE WITH MUNICIPAL CONSENT
 2-62 RESOLUTIONS. The district shall comply with all applicable
 2-63 requirements of any resolution, adopted by the governing body of a
 2-64 municipality, that consented to the creation of the district or to
 2-65 the inclusion of land in the district.

2-66 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

2-67 Sec. 8467.101. TAX TO REPAY BONDS FOR ROAD PROJECTS. The
 2-68 district may impose a tax to pay the principal of or interest on
 2-69 bonds issued under Section 8467.151.

SUBCHAPTER D. BONDS

3-1 Sec. 8467.151. AUTHORITY TO ISSUE BONDS AND OTHER
3-2 OBLIGATIONS FOR ROAD PROJECTS. (a) The district may issue bonds or
3-3 other obligations as provided by Chapters 49 and 54, Water Code, to
3-4 finance the construction, maintenance, or operation of projects
3-5 under Section 8467.053.

3-6 (b) The district may not issue bonds or other obligations
3-7 secured wholly or partly by ad valorem taxation to finance projects
3-8 authorized by Section 8467.053 unless the issuance is approved by a
3-9 vote of a two-thirds majority of the voters in the district or of
3-10 the defined areas to be benefited by the project as provided by
3-11 Subchapter J, Chapter 54, Water Code, voting at an election called
3-12 for that purpose. The simple majority vote approval required by
3-13 Section 54.808(a), Water Code, does not apply to an election under
3-14 this subsection.

3-15 (c) Bonds or other obligations issued or incurred to finance
3-16 projects authorized by Section 8467.053 may not exceed one-fourth
3-17 of the assessed value of the real property in the district or the
3-18 defined area as provided by Subchapter J, Chapter 54, Water Code.

3-19 SECTION 2. (a) The legal notice of the intention to
3-20 introduce this Act, setting forth the general substance of this
3-21 Act, has been published as provided by law, and the notice and a
3-22 copy of this Act have been furnished to all persons, agencies,
3-23 officials, or entities to which they are required to be furnished
3-24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3-25 Government Code.

3-26 (b) The governor, one of the required recipients, has
3-27 submitted the notice and Act to the Texas Commission on
3-28 Environmental Quality.

3-29 (c) The Texas Commission on Environmental Quality has filed
3-30 its recommendations relating to this Act with the governor, the
3-31 lieutenant governor, and the speaker of the house of
3-32 representatives within the required time.

3-33 (d) All requirements of the constitution and laws of this
3-34 state and the rules and procedures of the legislature with respect
3-35 to the notice, introduction, and passage of this Act are fulfilled
3-36 and accomplished.

3-37 SECTION 3. This Act takes effect immediately if it receives
3-38 a vote of two-thirds of all the members elected to each house, as
3-39 provided by Section 39, Article III, Texas Constitution. If this
3-40 Act does not receive the vote necessary for immediate effect, this
3-41 Act takes effect September 1, 2013.

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