

By: Estes

S.B. No. 1877

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Venable Ranch Municipal Utility District No. 1 of Denton County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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 8469 to read as follows:

CHAPTER 8469. VENABLE RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF

DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8469.001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Aubrey, Texas.

(3) "Commission" means the Texas Commission on Environmental Quality.

(4) "Director" means a board member.

(5) "District" means the Venable Ranch Municipal Utility District No. 1 of Denton County.

Sec. 8469.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8469.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to

1 confirm the creation of the district and to elect five permanent
2 directors as provided by Section 49.102, Water Code.

3 Sec. 8469.004. CONSENT OF CITY REQUIRED. The temporary
4 directors may not hold an election under Section 8469.003 until:

5 (1) the city has consented by ordinance or resolution
6 to the creation of the district and to the inclusion of land in the
7 district; and

8 (2) the city and an owner or owners of land in the
9 district have entered into a development agreement under Section
10 212.172, Local Government Code.

11 Sec. 8469.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
12 The district is created to serve a public purpose and benefit.

13 (b) The district is created to accomplish the purposes of:

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

16 (2) Section 52, Article III, Texas Constitution, that
17 relate to the construction, acquisition, improvement, operation,
18 or maintenance of macadamized, graveled, or paved roads, or
19 improvements, including storm drainage, in aid of those roads.

20 Sec. 8469.006. INITIAL DISTRICT TERRITORY. (a) The
21 district is initially composed of the territory described by
22 Section 2 of the Act enacting this chapter.

23 (b) The boundaries and field notes contained in Section 2 of
24 the Act enacting this chapter form a closure. A mistake made in the
25 field notes or in copying the field notes in the legislative process
26 does not affect the district's:

27 (1) organization, existence, or validity;

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

4 (3) right to impose a tax; or

5 (4) legality or operation.

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 8469.051. GOVERNING BODY; TERMS. (a) The district is
8 governed by a board of five elected directors.

9 (b) Except as provided by Section 8469.052, directors serve
10 staggered four-year terms.

11 Sec. 8469.052. TEMPORARY DIRECTORS. (a) On or after
12 September 1, 2013, the owner or owners of a majority of the assessed
13 value of the real property in the district may submit a petition to
14 the commission requesting that the commission appoint as temporary
15 directors the five persons named in the petition. The commission
16 shall appoint as temporary directors the five persons named in the
17 petition.

18 (b) Temporary directors serve until the earlier of:

19 (1) the date permanent directors are elected under
20 Section 8469.003; or

21 (2) September 1, 2017.

22 (c) If permanent directors have not been elected under
23 Section 8469.003 and the terms of the temporary directors have
24 expired, successor temporary directors shall be appointed or
25 reappointed as provided by Subsection (d) to serve terms that
26 expire on the earlier of:

27 (1) the date permanent directors are elected under

1 Section 8469.003; or

2 (2) the fourth anniversary of the date of the
3 appointment or reappointment.

4 (d) If Subsection (c) applies, the owner or owners of a
5 majority of the assessed value of the real property in the district
6 may submit a petition to the commission requesting that the
7 commission appoint as successor temporary directors the five
8 persons named in the petition. The commission shall appoint as
9 successor temporary directors the five persons named in the
10 petition.

11 SUBCHAPTER C. POWERS AND DUTIES

12 Sec. 8469.101. GENERAL POWERS AND DUTIES. The district has
13 the powers and duties necessary to accomplish the purposes for
14 which the district is created.

15 Sec. 8469.102. MUNICIPAL UTILITY DISTRICT POWERS AND
16 DUTIES. The district has the powers and duties provided by the
17 general law of this state, including Chapters 49 and 54, Water Code,
18 applicable to municipal utility districts created under Section 59,
19 Article XVI, Texas Constitution.

20 Sec. 8469.103. AUTHORITY FOR ROAD PROJECTS. Under Section
21 52, Article III, Texas Constitution, the district may design,
22 acquire, construct, finance, issue bonds for, improve, operate,
23 maintain, and convey to this state, a county, or a municipality for
24 operation and maintenance macadamized, graveled, or paved roads, or
25 improvements, including storm drainage, in aid of those roads.

26 Sec. 8469.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
27 project must meet all applicable construction standards, zoning and

1 subdivision requirements, and regulations of each municipality in
2 whose corporate limits or extraterritorial jurisdiction the road
3 project is located.

4 (b) If a road project is not located in the corporate limits
5 or extraterritorial jurisdiction of a municipality, the road
6 project must meet all applicable construction standards,
7 subdivision requirements, and regulations of each county in which
8 the road project is located.

9 (c) If the state will maintain and operate the road, the
10 Texas Transportation Commission must approve the plans and
11 specifications of the road project.

12 Sec. 8469.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
13 OR RESOLUTION. The district shall comply with all applicable
14 requirements of any ordinance or resolution that is adopted under
15 Section 54.016 or 54.0165, Water Code, and that consents to the
16 creation of the district or to the inclusion of land in the
17 district.

18 Sec. 8469.106. DIVISION OF DISTRICT. (a) The district may
19 be divided into two or more new districts only if the district:

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

22 (b) This chapter applies to any new district created by the
23 division of the district, and a new district has all the powers and
24 duties of the district.

25 (c) Any new district created by the division of the district
26 may not, at the time the new district is created, contain any land
27 outside the area described by Section 2 of the Act creating this

1 chapter.

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

6 (e) The board may adopt an order dividing the district
7 before or after the date the board holds an election under Section
8 8469.151 to authorize the issuance of bonds.

9 (f) An order dividing the district must:

10 (1) name each new district;

11 (2) include the metes and bounds description of the
12 territory of each new district;

13 (3) appoint temporary directors for each new district;

14 and

15 (4) provide for the division of assets and liabilities
16 between or among the new districts.

17 (g) On or before the 30th day after the date of adoption of
18 an order dividing the district, the district shall file the order
19 with the commission and record the order in the real property
20 records of each county in which the district is located.

21 (h) Any new district created by the division of the district
22 shall hold a confirmation and directors' election as required by
23 Section 8469.003.

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

1 (j) If the creation of the new district is confirmed, the
2 new district shall provide the election date and results to the
3 commission.

4 Sec. 8469.107. FIREFIGHTING SERVICES. Notwithstanding
5 Section 49.351(a), Water Code, the district may, as authorized by
6 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,
7 Water Code:

8 (1) establish, operate, and maintain a fire
9 department;

10 (2) contract with another political subdivision for
11 the joint operation of a fire department; or

12 (3) contract with any other person to perform
13 firefighting services in the district and may issue bonds and
14 impose taxes to pay for the department and the activities.

15 Sec. 8469.108. FEES AND CHARGES. (a) The district may
16 adopt and enforce all necessary charges, mandatory fees, or
17 rentals, in addition to taxes, for providing or making available
18 any district facility or service, including firefighting
19 activities provided under Section 8469.107.

20 (b) To enforce payment of an unpaid fee or charge due to the
21 district, on the request of the district, a retail public utility,
22 as defined by Section 13.002, Water Code, providing water or sewer
23 service to a customer in the district shall terminate the service.

24 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

25 Sec. 8469.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
26 district may issue, without an election, bonds and other
27 obligations secured by:

1 (1) revenue other than ad valorem taxes; or

2 (2) contract payments described by Section 8469.153.

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 ad valorem tax or issue bonds
6 payable from ad valorem taxes.

7 (c) The district may not issue bonds payable from ad valorem
8 taxes to finance a road project unless the issuance is approved by a
9 vote of a two-thirds majority of the district voters voting at an
10 election held for that purpose.

11 Sec. 8469.152. OPERATION AND MAINTENANCE TAX. (a) If
12 authorized at an election held under Section 8469.151, the district
13 may impose an operation and maintenance tax on taxable property in
14 the district in accordance with Section 49.107, Water Code.

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

17 Sec. 8469.153. CONTRACT TAXES. (a) In accordance with
18 Section 49.108, Water Code, the district may impose a tax other than
19 an operation and maintenance tax and use the revenue derived from
20 the tax to make payments under a contract after the provisions of
21 the contract have been approved by a majority of the district voters
22 voting at an election held for that purpose.

23 (b) A contract approved by the district voters may contain a
24 provision stating that the contract may be modified or amended by
25 the board without further voter approval.

26 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

27 Sec. 8469.201. AUTHORITY TO ISSUE BONDS AND OTHER

1 OBLIGATIONS. The district may issue bonds or other obligations
2 payable wholly or partly from ad valorem taxes, impact fees,
3 revenue, contract payments, grants, or other district money, or any
4 combination of those sources, to pay for any authorized district
5 purpose.

6 Sec. 8469.202. TAXES FOR BONDS. At the time the district
7 issues bonds payable wholly or partly from ad valorem taxes, the
8 board shall provide for the annual imposition of a continuing
9 direct ad valorem tax, without limit as to rate or amount, while all
10 or part of the bonds are outstanding as required and in the manner
11 provided by Sections 54.601 and 54.602, Water Code.

12 Sec. 8469.203. BONDS FOR ROAD PROJECTS. At the time of
13 issuance, the total principal amount of bonds or other obligations
14 issued or incurred to finance road projects and payable from ad
15 valorem taxes may not exceed one-fourth of the assessed value of the
16 real property in the district.

17 SUBCHAPTER F. ANNEXATION BY CITY

18 Sec. 8469.251. EFFECT OF ANNEXATION BY CITY. (a)
19 Notwithstanding any other law, if all of the territory of the
20 district is annexed by the city into the corporate limits of the
21 city before the date of the election held to confirm the creation of
22 the district and the district is confirmed at that election, the
23 district may not be dissolved and continues in existence following
24 annexation until:

25 (1) water, sanitary sewer, and drainage improvements
26 and roads have been constructed to serve at least 90 percent of the
27 territory of the district capable of development; or

1 (2) the board adopts a resolution consenting to the
2 dissolution of the district.

3 (b) Notwithstanding Section 54.016(f)(2), Water Code, an
4 allocation agreement between the city and the district that
5 provides for the allocation of the taxes or revenues of the district
6 and the city following the date of inclusion of the district's
7 territory in the corporate limits of the city may provide that the
8 total annual ad valorem taxes collected by the city and the district
9 from taxable property within the city's corporate limits may exceed
10 the city's ad valorem tax on that property.

11 SECTION 2. The Venable Ranch Municipal Utility District No.
12 1 of Denton County initially includes all the territory contained
13 in an area to be described by a metes and bounds description.

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. (a) If this Act does not receive a two-thirds
6 vote of all the members elected to each house, Subchapter C, Chapter
7 8469, Special District Local Laws Code, as added by Section 1 of
8 this Act, is amended by adding Section 8469.109 to read as follows:

9 Sec. 8469.109. NO EMINENT DOMAIN POWER. The district may
10 not exercise the power of eminent domain.

11 (b) This section is not intended to be an expression of a
12 legislative interpretation of the requirements of Section 17(c),
13 Article I, Texas Constitution.

14 SECTION 5. This Act takes effect September 1, 2013.