

By: Stucky

H.B. No. 2566

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Denton County Municipal Utility
3 District No. 9; granting a limited power of eminent domain;
4 providing authority to issue bonds; providing authority to impose
5 assessments, fees, and taxes.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws
8 Code, is amended by adding Chapter 7977 to read as follows:

9 CHAPTER 7977. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7977.001. DEFINITIONS. In this chapter:

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

13 (2) "Commission" means the Texas Commission on
14 Environmental Quality.

15 (3) "Director" means a board member.

16 (4) "District" means the Denton County Municipal
17 Utility District No. 9.

18 Sec. 7977.002. NATURE OF DISTRICT. The district is a
19 municipal utility district created under Section 59, Article XVI,
20 Texas Constitution.

21 Sec. 7977.003. CONFIRMATION AND DIRECTORS' ELECTION
22 REQUIRED. The temporary directors shall hold an election to
23 confirm the creation of the district and to elect five permanent
24 directors as provided by Section 49.102, Water Code.

1 Sec. 7977.004. CONSENT OF MUNICIPALITY REQUIRED. The
2 temporary directors may not hold an election under Section 7977.003
3 until each municipality in whose corporate limits or
4 extraterritorial jurisdiction the district is located has
5 consented by ordinance or resolution to the creation of the
6 district and to the inclusion of land in the district.

7 Sec. 7977.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
8 The district is created to serve a public purpose and benefit.

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

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

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

16 Sec. 7977.006. INITIAL DISTRICT TERRITORY. (a) The
17 district is initially composed of the territory described by
18 Section 2 of the Act enacting this chapter.

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

23 (1) organization, existence, or validity;

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

27 (3) right to impose a tax; or

1 (4) legality or operation.

2 SUBCHAPTER B. BOARD OF DIRECTORS

3 Sec. 7977.051. GOVERNING BODY; TERMS. (a) The district is
4 governed by a board of five elected directors.

5 (b) Except as provided by Section 7977.052, directors serve
6 staggered four-year terms.

7 Sec. 7977.052. TEMPORARY DIRECTORS. (a) On or after
8 September 1, 2017, the owner or owners of a majority of the assessed
9 value of the real property in the district may submit a petition to
10 the commission requesting that the commission appoint as temporary
11 directors the five persons named in the petition. The commission
12 shall appoint as temporary directors the five persons named in the
13 petition.

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

15 (1) the date permanent directors are elected under
16 Section 7977.003; or

17 (2) September 1, 2021.

18 (c) If permanent directors have not been elected under
19 Section 7977.003 and the terms of the temporary directors have
20 expired, successor temporary directors shall be appointed or
21 reappointed as provided by Subsection (d) to serve terms that
22 expire on the earlier of:

23 (1) the date permanent directors are elected under
24 Section 7977.003; or

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

27 (d) If Subsection (c) applies, the owner or owners of a

1 majority of the assessed value of the real property in the district
2 may submit a petition to the commission requesting that the
3 commission appoint as successor temporary directors the five
4 persons named in the petition. The commission shall appoint as
5 successor temporary directors the five persons named in the
6 petition.

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 7977.101. GENERAL POWERS AND DUTIES. The district has
9 the powers and duties necessary to accomplish the purposes for
10 which the district is created.

11 Sec. 7977.102. MUNICIPAL UTILITY DISTRICT POWERS AND
12 DUTIES. The district has the powers and duties provided by the
13 general law of this state, including Chapters 49 and 54, Water Code,
14 applicable to municipal utility districts created under Section 59,
15 Article XVI, Texas Constitution.

16 Sec. 7977.103. AUTHORITY FOR ROAD PROJECTS. Under Section
17 52, Article III, Texas Constitution, the district may design,
18 acquire, construct, finance, issue bonds for, improve, operate,
19 maintain, and convey to this state, a county, or a municipality for
20 operation and maintenance macadamized, graveled, or paved roads, or
21 improvements, including storm drainage, in aid of those roads.

22 Sec. 7977.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road
23 project must meet all applicable construction standards, zoning and
24 subdivision requirements, and regulations of each municipality in
25 whose corporate limits or extraterritorial jurisdiction the road
26 project is located.

27 (b) If a road project is not located in the corporate limits

1 or extraterritorial jurisdiction of a municipality, the road
2 project must meet all applicable construction standards,
3 subdivision requirements, and regulations of each county in which
4 the road project is located.

5 (c) If the state will maintain and operate the road, the
6 Texas Transportation Commission must approve the plans and
7 specifications of the road project.

8 Sec. 7977.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
9 OR RESOLUTION. The district shall comply with all applicable
10 requirements of any ordinance or resolution that is adopted under
11 Section 54.016 or 54.0165, Water Code, and that consents to the
12 creation of the district or to the inclusion of land in the
13 district.

14 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

15 Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
16 district may issue, without an election, bonds and other
17 obligations secured by:

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

19 (2) contract payments described by Section 7977.153.

20 (b) The district must hold an election in the manner
21 provided by Chapters 49 and 54, Water Code, to obtain voter approval
22 before the district may impose an ad valorem tax or issue bonds
23 payable from ad valorem taxes.

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

1 Sec. 7977.152. OPERATION AND MAINTENANCE TAX. (a) If
2 authorized at an election held under Section 7977.151, the district
3 may impose an operation and maintenance tax on taxable property in
4 the district in accordance with Section 49.107, Water Code.

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

7 Sec. 7977.153. CONTRACT TAXES. (a) In accordance with
8 Section 49.108, Water Code, the district may impose a tax other than
9 an operation and maintenance tax and use the revenue derived from
10 the tax to make payments under a contract after the provisions of
11 the contract have been approved by a majority of the district voters
12 voting at an election held for that purpose.

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

16 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

17 Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER
18 OBLIGATIONS. The district may issue bonds or other obligations
19 payable wholly or partly from ad valorem taxes, impact fees,
20 revenue, contract payments, grants, or other district money, or any
21 combination of those sources, to pay for any authorized district
22 purpose.

23 Sec. 7977.202. TAXES FOR BONDS. At the time the district
24 issues bonds payable wholly or partly from ad valorem taxes, the
25 board shall provide for the annual imposition of a continuing
26 direct ad valorem tax, without limit as to rate or amount, while all
27 or part of the bonds are outstanding as required and in the manner

1 provided by Sections 54.601 and 54.602, Water Code.

2 Sec. 7977.203. BONDS FOR ROAD PROJECTS. At the time of
3 issuance, the total principal amount of bonds or other obligations
4 issued or incurred to finance road projects and payable from ad
5 valorem taxes may not exceed one-fourth of the assessed value of the
6 real property in the district.

7 SECTION 2. The Denton County Municipal Utility District
8 No. 9 initially includes all the territory contained in the
9 following area:

10 All that certain lot, tract or parcel of land lying and being
11 situated in Denton County, Texas and being a part of the R.R. Jowell
12 Survey, Abstract number 660 and also being a part of those tracts of
13 land described in deed to The JP Griffin Family Limited Partnership
14 recorded in Document number 1995-1682 and 1995-1683, Real Property
15 Records, Denton County, Texas and further described as Frist Tract
16 and Third Tract in Volume 347, Page 141, Deed Records, Denton
17 County, Texas and being more fully described by metes and bounds as
18 follows;

19 BEGINNING at a capped iron rod set stamped "KAZ" at the Most
20 Westerly Southwest corner of said First tract;

21 THENCE North 00 degrees 09 minutes 00 seconds East, 186.74 feet to a
22 capped iron rod set stamped "KAZ" at a reentrant corner of said
23 First tract and an ell corner of that called 114.00 acre tract of
24 land described in deed to Serax Ranch LTD. recorded in Instrument
25 number 1995-70429, Real Property Records, Denton County, Texas;

26 THENCE along the common line of said 114.00 acre tract and this
27 tract, South 89 degrees 51 minutes 00 seconds East, 938.96 feet to a

1 1/2 inch iron rod found at an ell corner of said First tract and a
2 reentrant corner of said 114.00 acre tract;
3 THENCE North 00 degrees 21 minutes 14 seconds East, 456.75 feet to a
4 TXDOT monument found in the new South line of U.S. Highway 380;
5 THENCE along said South line, South 71 degrees 55 minutes 00 seconds
6 East, 180.29 feet to a TXDOT monument found;
7 THENCE continuing along said South line, South 80 degrees 01
8 minutes 46 seconds East, 99.99 feet to a TXDOT monument found;
9 THENCE continuing along said South line, North 76 degrees 08
10 minutes 36 seconds East, 327.87 feet to a TXDOT monument found;
11 THENCE continuing along said South line, South 80 degrees 08
12 minutes 48 seconds East, 999.73 feet to a TXDOT monument found;
13 THENCE continuing along said South line, South 71 degrees 41
14 minutes 06 seconds East, 101.07 feet to a TXDOT monument found;
15 THENCE continuing along said South line, South 84 degrees 21
16 minutes 50 seconds East, 200.57 feet to a TXDOT monument found;
17 THENCE continuing along said South line, South 80 degrees 07
18 minutes 31 seconds East, 1400.23 feet to a TXDOT monument found;
19 THENCE continuing along said South line, South 72 degrees 55
20 minutes 42 seconds East, 312.20 feet to a TXDOT monument found;
21 THENCE continuing along said South line, South 85 degrees 18
22 minutes 17 seconds East, 600.23 feet to a TXDOT monument found;
23 THENCE continuing along said South line, North 86 degrees 06
24 minutes 47 seconds East, 101.08 feet to a TXDOT monument found;
25 THENCE continuing along said South line, South 85 degrees 19
26 minutes 44 seconds East, 800.10 feet to a TXDOT monument found;
27 THENCE continuing along said South line, South 89 degrees 35

1 minutes 24 seconds East, 247.96 feet to a TXDOT monument found;
2 THENCE North 05 degrees 59 minutes 08 seconds East, 15.84 feet to a
3 capped iron rod set stamped "KAZ";
4 THENCE continuing along said South line, South 84 degrees 16
5 minutes 38 seconds East, 330.78 feet to a capped iron rod set
6 stamped "KAZ";
7 THENCE South 42 degrees 40 minutes 33 seconds East, 147.19 feet to a
8 capped iron rod set stamped "KAZ" in the West line of F.M. 2622;
9 THENCE along said West line, South 00 degrees 04 minutes 34 seconds
10 East, 1268.92 feet to a capped iron rod set stamped "KAZ";
11 THENCE South 45 degrees 24 minutes 27 seconds West, 70.09 feet to a
12 P.K. nail set in the centerline of George Foster Road;
13 THENCE along said centerline, North 89 degrees 01 minutes 43
14 seconds West, 2458.67 feet to a P.K. nail set;
15 THENCE continuing along said centerline, North 89 degrees 21
16 minutes 15 seconds West, 2704.05 feet to a 1/2 inch iron rod found;
17 THENCE North 00 degrees 02 minutes 51 seconds West, 125.54 feet to a
18 1/2 inch iron rod found;
19 THENCE continuing along said centerline, part of the way, North 49
20 degrees 00 minutes 24 seconds West, 1925.59 feet to the PLACE OF
21 BEGINNING and containing 230.43 acres of land more or less;

22 This description is based upon an exhibit as prepared by KAZ
23 Surveying, dated _____. Bearings are based upon the
24 West line of the 583.12 acre tract of land.

25 SECTION 3. (a) The legal notice of the intention to
26 introduce this Act, setting forth the general substance of this
27 Act, has been published as provided by law, and the notice and a

1 copy of this Act have been furnished to all persons, agencies,
2 officials, or entities to which they are required to be furnished
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4 Government Code.

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

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

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

16 SECTION 4. (a) If this Act does not receive a two-thirds
17 vote of all the members elected to each house, Subchapter C, Chapter
18 7977, Special District Local Laws Code, as added by Section 1 of
19 this Act, is amended by adding Section 7977.106 to read as follows:

20 Sec. 7977.106. NO EMINENT DOMAIN POWER. The district may
21 not exercise the power of eminent domain.

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

25 SECTION 5. This Act takes effect September 1, 2017.