

1-1 By: Stucky (Senate Sponsor - Estes) H.B. No. 2566
 1-2 (In the Senate - Received from the House May 5, 2017;
 1-3 May 11, 2017, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 17, 2017, reported favorably by
 1-5 the following vote: Yeas 5, Nays 0; May 17, 2017, sent to
 1-6 printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9				
1-10			X	
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15	X			

1-16 A BILL TO BE ENTITLED
 1-17 AN ACT

1-18 relating to the creation of the Denton County Municipal Utility
 1-19 District No. 9; granting a limited power of eminent domain;
 1-20 providing authority to issue bonds; providing authority to impose
 1-21 assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-23 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-24 Code, is amended by adding Chapter 7977 to read as follows:

1-25 CHAPTER 7977. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 7977.001. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "Commission" means the Texas Commission on
 1-30 Environmental Quality.

1-31 (3) "Director" means a board member.

1-32 (4) "District" means the Denton County Municipal
 1-33 Utility District No. 9.

1-34 Sec. 7977.002. NATURE OF DISTRICT. The district is a
 1-35 municipal utility district created under Section 59, Article XVI,
 1-36 Texas Constitution.

1-37 Sec. 7977.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-38 REQUIRED. The temporary directors shall hold an election to
 1-39 confirm the creation of the district and to elect five permanent
 1-40 directors as provided by Section 49.102, Water Code.

1-41 Sec. 7977.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-42 temporary directors may not hold an election under Section 7977.003
 1-43 until each municipality in whose corporate limits or
 1-44 extraterritorial jurisdiction the district is located has
 1-45 consented by ordinance or resolution to the creation of the
 1-46 district and to the inclusion of land in the district.

1-47 Sec. 7977.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)
 1-48 The district is created to serve a public purpose and benefit.

1-49 (b) The district is created to accomplish the purposes of:

1-50 (1) a municipal utility district as provided by
 1-51 general law and Section 59, Article XVI, Texas Constitution; and

1-52 (2) Section 52, Article III, Texas Constitution, that
 1-53 relate to the construction, acquisition, improvement, operation,
 1-54 or maintenance of macadamized, graveled, or paved roads, or
 1-55 improvements, including storm drainage, in aid of those roads.

1-56 Sec. 7977.006. INITIAL DISTRICT TERRITORY. (a) The
 1-57 district is initially composed of the territory described by
 1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of
 1-60 the Act enacting this chapter form a closure. A mistake made in the
 1-61 field notes or in copying the field notes in the legislative process

- 2-1 does not affect the district's:
- 2-2 (1) organization, existence, or validity;
- 2-3 (2) right to issue any type of bond for the purposes
- 2-4 for which the district is created or to pay the principal of and
- 2-5 interest on a bond;
- 2-6 (3) right to impose a tax; or
- 2-7 (4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 7977.051. GOVERNING BODY; TERMS. (a) The district is

2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 7977.052, directors serve

2-12 staggered four-year terms.

2-13 Sec. 7977.052. TEMPORARY DIRECTORS. (a) On or after

2-14 September 1, 2017, the owner or owners of a majority of the assessed

2-15 value of the real property in the district may submit a petition to

2-16 the commission requesting that the commission appoint as temporary

2-17 directors the five persons named in the petition. The commission

2-18 shall appoint as temporary directors the five persons named in the

2-19 petition.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under

2-22 Section 7977.003; or

2-23 (2) September 1, 2021.

2-24 (c) If permanent directors have not been elected under

2-25 Section 7977.003 and the terms of the temporary directors have

2-26 expired, successor temporary directors shall be appointed or

2-27 reappointed as provided by Subsection (d) to serve terms that

2-28 expire on the earlier of:

2-29 (1) the date permanent directors are elected under

2-30 Section 7977.003; or

2-31 (2) the fourth anniversary of the date of the

2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a

2-34 majority of the assessed value of the real property in the district

2-35 may submit a petition to the commission requesting that the

2-36 commission appoint as successor temporary directors the five

2-37 persons named in the petition. The commission shall appoint as

2-38 successor temporary directors the five persons named in the

2-39 petition.

SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 7977.101. GENERAL POWERS AND DUTIES. The district has

2-42 the powers and duties necessary to accomplish the purposes for

2-43 which the district is created.

2-44 Sec. 7977.102. MUNICIPAL UTILITY DISTRICT POWERS AND

2-45 DUTIES. The district has the powers and duties provided by the

2-46 general law of this state, including Chapters 49 and 54, Water Code,

2-47 applicable to municipal utility districts created under Section 59,

2-48 Article XVI, Texas Constitution.

2-49 Sec. 7977.103. AUTHORITY FOR ROAD PROJECTS. Under Section

2-50 52, Article III, Texas Constitution, the district may design,

2-51 acquire, construct, finance, issue bonds for, improve, operate,

2-52 maintain, and convey to this state, a county, or a municipality for

2-53 operation and maintenance macadamized, graveled, or paved roads, or

2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 7977.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road

2-56 project must meet all applicable construction standards, zoning and

2-57 subdivision requirements, and regulations of each municipality in

2-58 whose corporate limits or extraterritorial jurisdiction the road

2-59 project is located.

2-60 (b) If a road project is not located in the corporate limits

2-61 or extraterritorial jurisdiction of a municipality, the road

2-62 project must meet all applicable construction standards,

2-63 subdivision requirements, and regulations of each county in which

2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the

2-66 Texas Transportation Commission must approve the plans and

2-67 specifications of the road project.

2-68 Sec. 7977.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE

2-69 OR RESOLUTION. The district shall comply with all applicable

3-1 requirements of any ordinance or resolution that is adopted under
3-2 Section 54.016 or 54.0165, Water Code, and that consents to the
3-3 creation of the district or to the inclusion of land in the
3-4 district.

3-5 Sec. 7977.106. FIREFIGHTING SERVICES. Notwithstanding
3-6 Section 49.351(a), Water Code, the district may, as authorized by
3-7 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,
3-8 Water Code:

3-9 (1) establish, operate, and maintain a fire
3-10 department;

3-11 (2) contract with another political subdivision for
3-12 the joint operation of a fire department; or

3-13 (3) contract with any other person to perform
3-14 firefighting services in the district and may issue bonds and
3-15 impose taxes to pay for the department and the activities.

3-16 Sec. 7977.107. FEES AND CHARGES. (a) The district may
3-17 adopt and enforce all necessary charges, mandatory fees, or
3-18 rentals, in addition to taxes, for providing or making available
3-19 any district facility or service, including firefighting
3-20 activities provided under Section 7977.106.

3-21 (b) To enforce payment of an unpaid fee or charge due to the
3-22 district, on the request of the district, a retail public utility,
3-23 as defined by Section 13.002, Water Code, providing water or sewer
3-24 service to a customer in the district shall terminate the service.

3-25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-26 Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
3-27 district may issue, without an election, bonds and other
3-28 obligations secured by:

3-29 (1) revenue other than ad valorem taxes; or

3-30 (2) contract payments described by Section 7977.153.

3-31 (b) The district must hold an election in the manner
3-32 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3-33 before the district may impose an ad valorem tax or issue bonds
3-34 payable from ad valorem taxes.

3-35 (c) The district may not issue bonds payable from ad valorem
3-36 taxes to finance a road project unless the issuance is approved by a
3-37 vote of a two-thirds majority of the district voters voting at an
3-38 election held for that purpose.

3-39 Sec. 7977.152. OPERATION AND MAINTENANCE TAX. (a) If
3-40 authorized at an election held under Section 7977.151, the district
3-41 may impose an operation and maintenance tax on taxable property in
3-42 the district in accordance with Section 49.107, Water Code.

3-43 (b) The board shall determine the tax rate. The rate may not
3-44 exceed the rate approved at the election.

3-45 Sec. 7977.153. CONTRACT TAXES. (a) In accordance with
3-46 Section 49.108, Water Code, the district may impose a tax other than
3-47 an operation and maintenance tax and use the revenue derived from
3-48 the tax to make payments under a contract after the provisions of
3-49 the contract have been approved by a majority of the district voters
3-50 voting at an election held for that purpose.

3-51 (b) A contract approved by the district voters may contain a
3-52 provision stating that the contract may be modified or amended by
3-53 the board without further voter approval.

3-54 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

3-55 Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER
3-56 OBLIGATIONS. The district may issue bonds or other obligations
3-57 payable wholly or partly from ad valorem taxes, impact fees,
3-58 revenue, contract payments, grants, or other district money, or any
3-59 combination of those sources, to pay for any authorized district
3-60 purpose.

3-61 Sec. 7977.202. TAXES FOR BONDS. At the time the district
3-62 issues bonds payable wholly or partly from ad valorem taxes, the
3-63 board shall provide for the annual imposition of a continuing
3-64 direct ad valorem tax, without limit as to rate or amount, while all
3-65 or part of the bonds are outstanding as required and in the manner
3-66 provided by Sections 54.601 and 54.602, Water Code.

3-67 Sec. 7977.203. BONDS FOR ROAD PROJECTS. At the time of
3-68 issuance, the total principal amount of bonds or other obligations
3-69 issued or incurred to finance road projects and payable from ad

4-1 valorem taxes may not exceed one-fourth of the assessed value of the
 4-2 real property in the district.

4-3 SECTION 2. The Denton County Municipal Utility District
 4-4 No. 9 initially includes all the territory contained in the
 4-5 following area:

4-6 All that certain lot, tract or parcel of land lying and being
 4-7 situated in Denton County, Texas and being a part of the R.R. Jowell
 4-8 Survey, Abstract number 660 and also being a part of those tracts of
 4-9 land described in deed to The JP Griffin Family Limited Partnership
 4-10 recorded in Document number 1995-1682 and 1995-1683, Real Property
 4-11 Records, Denton County, Texas and further described as Frist Tract
 4-12 and Third Tract in Volume 347, Page 141, Deed Records, Denton
 4-13 County, Texas and being more fully described by metes and bounds as
 4-14 follows;

4-15 BEGINNING at a capped iron rod set stamped "KAZ" at the Most
 4-16 Westerly Southwest corner of said First tract;

4-17 THENCE North 00 degrees 09 minutes 00 seconds East, 186.74 feet to a
 4-18 capped iron rod set stamped "KAZ" at a reentrant corner of said
 4-19 First tract and an ell corner of that called 114.00 acre tract of
 4-20 land described in deed to Serax Ranch LTD. recorded in Instrument
 4-21 number 1995-70429, Real Property Records, Denton County, Texas;

4-22 THENCE along the common line of said 114.00 acre tract and this
 4-23 tract, South 89 degrees 51 minutes 00 seconds East, 938.96 feet to a
 4-24 1/2 inch iron rod found at an ell corner of said First tract and a
 4-25 reentrant corner of said 114.00 acre tract;

4-26 THENCE North 00 degrees 21 minutes 14 seconds East, 456.75 feet to a
 4-27 TXDOT monument found in the new South line of U.S. Highway 380;

4-28 THENCE along said South line, South 71 degrees 55 minutes 00 seconds
 4-29 East, 180.29 feet to a TXDOT monument found;

4-30 THENCE continuing along said South line, South 80 degrees 01
 4-31 minutes 46 seconds East, 99.99 feet to a TXDOT monument found;

4-32 THENCE continuing along said South line, North 76 degrees 08
 4-33 minutes 36 seconds East, 327.87 feet to a TXDOT monument found;

4-34 THENCE continuing along said South line, South 80 degrees 08
 4-35 minutes 48 seconds East, 999.73 feet to a TXDOT monument found;

4-36 THENCE continuing along said South line, South 71 degrees 41
 4-37 minutes 06 seconds East, 101.07 feet to a TXDOT monument found;

4-38 THENCE continuing along said South line, South 84 degrees 21
 4-39 minutes 50 seconds East, 200.57 feet to a TXDOT monument found;

4-40 THENCE continuing along said South line, South 80 degrees 07
 4-41 minutes 31 seconds East, 1400.23 feet to a TXDOT monument found;

4-42 THENCE continuing along said South line, South 72 degrees 55
 4-43 minutes 42 seconds East, 312.20 feet to a TXDOT monument found;

4-44 THENCE continuing along said South line, South 85 degrees 18
 4-45 minutes 17 seconds East, 600.23 feet to a TXDOT monument found;

4-46 THENCE continuing along said South line, North 86 degrees 06
 4-47 minutes 47 seconds East, 101.08 feet to a TXDOT monument found;

4-48 THENCE continuing along said South line, South 85 degrees 19
 4-49 minutes 44 seconds East, 800.10 feet to a TXDOT monument found;

4-50 THENCE continuing along said South line, South 89 degrees 35
 4-51 minutes 24 seconds East, 247.96 feet to a TXDOT monument found;

4-52 THENCE North 05 degrees 59 minutes 08 seconds East, 15.84 feet to a
 4-53 capped iron rod set stamped "KAZ";

4-54 THENCE continuing along said South line, South 84 degrees 16
 4-55 minutes 38 seconds East, 330.78 feet to a capped iron rod set
 4-56 stamped "KAZ";

4-57 THENCE South 42 degrees 40 minutes 33 seconds East, 147.19 feet to a
 4-58 capped iron rod set stamped "KAZ" in the West line of F.M. 2622;

4-59 THENCE along said West line, South 00 degrees 04 minutes 34 seconds
 4-60 East, 1268.92 feet to a capped iron rod set stamped "KAZ";

4-61 THENCE South 45 degrees 24 minutes 27 seconds West, 70.09 feet to a
 4-62 P.K. nail set in the centerline of George Foster Road;

4-63 THENCE along said centerline, North 89 degrees 01 minutes 43
 4-64 seconds West, 2458.67 feet to a P.K. nail set;

4-65 THENCE continuing along said centerline, North 89 degrees 21
 4-66 minutes 15 seconds West, 2704.05 feet to a 1/2 inch iron rod found;

4-67 THENCE North 00 degrees 02 minutes 51 seconds West, 125.54 feet to a
 4-68 1/2 inch iron rod found;

4-69 THENCE continuing along said centerline, part of the way, North 49

5-1 degrees 00 minutes 24 seconds West, 1925.59 feet to the PLACE OF
5-2 BEGINNING and containing 230.43 acres of land more or less;

5-3 This description is based upon an exhibit as prepared by KAZ
5-4 Surveying, dated _____. Bearings are based upon the
5-5 West line of the 583.12 acre tract of land.

5-6 SECTION 3. (a) The legal notice of the intention to
5-7 introduce this Act, setting forth the general substance of this
5-8 Act, has been published as provided by law, and the notice and a
5-9 copy of this Act have been furnished to all persons, agencies,
5-10 officials, or entities to which they are required to be furnished
5-11 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-12 Government Code.

5-13 (b) The governor, one of the required recipients, has
5-14 submitted the notice and Act to the Texas Commission on
5-15 Environmental Quality.

5-16 (c) The Texas Commission on Environmental Quality has filed
5-17 its recommendations relating to this Act with the governor, the
5-18 lieutenant governor, and the speaker of the house of
5-19 representatives within the required time.

5-20 (d) All requirements of the constitution and laws of this
5-21 state and the rules and procedures of the legislature with respect
5-22 to the notice, introduction, and passage of this Act are fulfilled
5-23 and accomplished.

5-24 SECTION 4. (a) If this Act does not receive a two-thirds
5-25 vote of all the members elected to each house, Subchapter C, Chapter
5-26 7977, Special District Local Laws Code, as added by Section 1 of
5-27 this Act, is amended by adding Section 7977.108 to read as follows:

5-28 Sec. 7977.108. NO EMINENT DOMAIN POWER. The district may
5-29 not exercise the power of eminent domain.

5-30 (b) This section is not intended to be an expression of a
5-31 legislative interpretation of the requirements of Section 17(c),
5-32 Article I, Texas Constitution.

5-33 SECTION 5. This Act takes effect September 1, 2017.

5-34 * * * * *