

1-1 By: Stucky (Senate Sponsor - Nelson) H.B. No. 4683
1-2 (In the Senate - Received from the House May 8, 2019;
1-3 May 10, 2019, read first time and referred to Committee on
1-4 Intergovernmental Relations; May 17, 2019, reported favorably by
1-5 the following vote: Yeas 7, Nays 0; May 17, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the creation of the Hunter Ranch Improvement District
1-18 No. 1 of Denton County, Texas; providing authority to impose an
1-19 assessment, impose a tax, and issue bonds.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-22 Code, is amended by adding Chapter 3980 to read as follows:

1-23 CHAPTER 3980. HUNTER RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON
1-24 COUNTY, TEXAS

1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 3980.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.

1-28 (2) "City" means the City of Denton, Texas.

1-29 (3) "County" means Denton County, Texas.

1-30 (4) "Developer of property in the district" means a
1-31 developer of property in the district as determined by the
1-32 governing body of the city.

1-33 (5) "Director" means a board member.

1-34 (6) "District" means the Hunter Ranch Improvement
1-35 District No. 1 of Denton County, Texas.

1-36 (7) "Operating agreement" means an agreement that
1-37 provides for:

1-38 (A) a general description of the improvement
1-39 projects that may be financed by the district; and

1-40 (B) the terms and conditions of:

1-41 (i) the financing of the improvement
1-42 projects described by Paragraph (A); and

1-43 (ii) the operation of the district.

1-44 (8) "Project agreement" means an agreement between the
1-45 city and a developer of property in the district that relates to any
1-46 aspect of the development of property in or outside the district.
1-47 The governing body of the city may determine whether an agreement
1-48 constitutes a project agreement for purposes of this chapter.

1-49 Sec. 3980.0102. NATURE OF DISTRICT. The Hunter Ranch
1-50 Improvement District No. 1 of Denton County, Texas, is a special
1-51 district created under Section 59, Article XVI, Texas Constitution.

1-52 Sec. 3980.0103. PURPOSE; DECLARATION OF INTENT. (a) The
1-53 creation of the district is essential to accomplish the purposes of
1-54 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-55 Texas Constitution, and other public purposes stated in this
1-56 chapter.

1-57 (b) By creating the district and in authorizing the city,
1-58 the county, and other political subdivisions to contract with the
1-59 district, the legislature has established a program to accomplish
1-60 the public purposes set out in Section 52-a, Article III, Texas
1-61 Constitution.

2-1 (c) The creation of the district is necessary to promote,
 2-2 develop, encourage, and maintain employment, commerce,
 2-3 transportation, housing, tourism, recreation, the arts,
 2-4 entertainment, economic development, safety, and the public
 2-5 welfare in the district.

2-6 (d) This chapter and the creation of the district may not be
 2-7 interpreted to relieve the city and the county from providing the
 2-8 level of services provided as of the effective date of the Act
 2-9 enacting this chapter to the area in the district. The district is
 2-10 created to supplement and not to supplant city or county services
 2-11 provided in the district.

2-12 Sec. 3980.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

2-13 (a) All land and other property included in the district will
 2-14 benefit from the improvements and services to be provided by the
 2-15 district under powers conferred by Sections 52 and 52-a, Article
 2-16 III, and Section 59, Article XVI, Texas Constitution, and other
 2-17 powers granted under this chapter.

2-18 (b) The district is created to serve a public use and
 2-19 benefit.

2-20 (c) The creation of the district is in the public interest
 2-21 and is essential to further the public purposes of:

2-22 (1) developing and diversifying the economy of the
 2-23 state;

2-24 (2) eliminating unemployment and underemployment;

2-25 (3) promoting the affordability of housing; and

2-26 (4) developing or expanding transportation and
 2-27 commerce.

2-28 (d) The district will:

2-29 (1) promote the health, safety, and general welfare of
 2-30 residents, employers, potential employees, employees, visitors,
 2-31 and consumers in the district, and of the public;

2-32 (2) provide needed funding for the district to
 2-33 preserve, maintain, and enhance the economic health and vitality of
 2-34 the district territory as a community and business center;

2-35 (3) promote the health, safety, welfare, and enjoyment
 2-36 of the public by providing pedestrian ways and by landscaping and
 2-37 developing certain areas in the district, which are necessary for
 2-38 the restoration, preservation, and enhancement of scenic beauty;
 2-39 and

2-40 (4) provide for water, wastewater, drainage, road, and
 2-41 recreational facilities for the district.

2-42 (e) Pedestrian ways along or across a street, whether at
 2-43 grade or above or below the surface, and street lighting, street
 2-44 landscaping, parking, and street art objects are parts of and
 2-45 necessary components of a street and are considered to be a street
 2-46 or road improvement.

2-47 (f) The district will not act as the agent or
 2-48 instrumentality of any private interest even though the district
 2-49 will benefit many private interests as well as the public.

2-50 Sec. 3980.0105. INITIAL DISTRICT TERRITORY. (a) The
 2-51 district is initially composed of the territory described by
 2-52 Section 2 of the Act enacting this chapter.

2-53 (b) The boundaries and field notes contained in Section 2 of
 2-54 the Act enacting this chapter form a closure. A mistake in the
 2-55 field notes or in copying the field notes in the legislative process
 2-56 does not affect the district's:

2-57 (1) organization, existence, or validity;

2-58 (2) right to issue any type of bonds for the purposes
 2-59 for which the district is created or to pay the principal of and
 2-60 interest on the bonds;

2-61 (3) right to impose or collect an assessment or tax; or

2-62 (4) legality or operation.

2-63 Sec. 3980.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

2-64 All or any part of the area of the district is eligible to be
 2-65 included in:

2-66 (1) a tax increment reinvestment zone created by the
 2-67 city under Chapter 311, Tax Code; or

2-68 (2) a tax abatement reinvestment zone created by the
 2-69 city under Chapter 312, Tax Code.

3-1 Sec. 3980.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
3-2 DISTRICTS LAW. Except as otherwise provided by this chapter,
3-3 Chapter 375, Local Government Code, applies to the district.
3-4 Sec. 3980.0108. CONSTRUCTION OF CHAPTER. This chapter
3-5 shall be liberally construed in conformity with the findings and
3-6 purposes stated in this chapter.
3-7 Sec. 3980.0109. CITY CONSENT; OPERATING AGREEMENT AND
3-8 PROJECT AGREEMENT REQUIRED. (a) Except as provided in Subsection
3-9 (c), before the district may exercise any powers under this
3-10 chapter:
3-11 (1) the city must adopt an ordinance or resolution
3-12 consenting to the creation of the district and to the inclusion of
3-13 land in the district;
3-14 (2) the city and the district must negotiate and
3-15 execute a mutually approved and accepted operating agreement; and
3-16 (3) the city and each developer of property in the
3-17 district must negotiate and execute a project agreement.
3-18 (b) This chapter expires December 31, 2020, if:
3-19 (1) the city and the district have not executed the
3-20 operating agreement required by Subsection (a)(2); or
3-21 (2) the city and each developer of property in the
3-22 district have not executed a project agreement as required by
3-23 Subsection (a)(3).
3-24 (c) The board has the powers necessary, convenient, or
3-25 desirable to negotiate and execute a mutually approved and accepted
3-26 operating agreement.
3-27 SUBCHAPTER B. BOARD OF DIRECTORS
3-28 Sec. 3980.0201. GOVERNING BODY; TERMS. (a) The district is
3-29 governed by a board of directors as provided in this section.
3-30 (b) Five directors are elected in the manner provided by
3-31 Subchapter D, Chapter 49, Water Code.
3-32 (c) The city may appoint one additional director to the
3-33 board.
3-34 (d) Section 375.063, Local Government Code, does not apply
3-35 to a director appointed by the city.
3-36 (e) If the city exercises its right to appoint a director
3-37 under Subsection (c), the board consists of six directors while the
3-38 appointed director serves on the board. If the city does not
3-39 exercise its right to appoint or reappoint a director under
3-40 Subsection (c), the board consists of five directors.
3-41 (f) Except as provided by Section 3980.0204, directors
3-42 serve staggered four-year terms.
3-43 Sec. 3980.0202. QUORUM. (a) Three members of the board
3-44 constitute a quorum regardless of whether the board has five or six
3-45 members.
3-46 (b) A majority vote of a quorum of the board is required for
3-47 official action.
3-48 (c) For purposes of determining the requirements for a
3-49 quorum of the board, the following are not counted:
3-50 (1) a board position vacant for any reason, including
3-51 death, resignation, or disqualification; or
3-52 (2) a director who is abstaining from participation in
3-53 a vote because of a conflict of interest.
3-54 Sec. 3980.0203. COMPENSATION. A director is entitled to
3-55 receive fees of office and reimbursement for actual expenses as
3-56 provided by Section 49.060, Water Code. Sections 375.069 and
3-57 375.070, Local Government Code, do not apply to the board.
3-58 Sec. 3980.0204. TEMPORARY DIRECTORS. (a) The temporary
3-59 board consists of:
3-60 (1) Matt Edgemon;
3-61 (2) Mike Brady;
3-62 (3) David Davidson Jr.;
3-63 (4) Amanda Green;
3-64 (5) Alan Hoffman; and
3-65 (6) a temporary director appointed by the city if the
3-66 city appoints a temporary director under Section 3980.0201(c).
3-67 (b) The temporary or successor temporary directors shall
3-68 hold an election as provided by Section 49.102, Water Code, to elect
3-69 the five permanent elected directors.

4-1 (c) Except for a temporary director appointed by the city,
 4-2 temporary directors serve until the earlier of:

4-3 (1) the date the permanent elected directors are
 4-4 elected under Subsection (b); or

4-5 (2) the fourth anniversary of the effective date of
 4-6 the Act enacting this chapter.

4-7 (d) If the permanent elected directors have not been elected
 4-8 under Subsection (b) and the terms of the temporary directors have
 4-9 expired, successor temporary directors, other than a temporary
 4-10 director appointed by the city, shall be appointed or reappointed
 4-11 as provided by Subsection (e) to serve terms that expire on the
 4-12 earlier of:

4-13 (1) the date the permanent elected directors are
 4-14 elected under Subsection (b); or

4-15 (2) the fourth anniversary of the date of the
 4-16 appointment or reappointment.

4-17 (e) If Subsection (d) applies, the owner or owners of a
 4-18 majority of the assessed value of the real property in the district
 4-19 may submit a petition to the Texas Commission on Environmental
 4-20 Quality requesting that the commission appoint as successor
 4-21 temporary directors the five persons named in the petition. The
 4-22 commission shall appoint as successor temporary directors the five
 4-23 persons named in the petition.

4-24 (f) A temporary director appointed by the city serves until
 4-25 the fourth anniversary of the effective date of the Act enacting
 4-26 this chapter.

4-27 SUBCHAPTER C. POWERS AND DUTIES

4-28 Sec. 3980.0301. GENERAL POWERS AND DUTIES. The district
 4-29 has the powers and duties necessary to accomplish the purposes for
 4-30 which the district is created.

4-31 Sec. 3980.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The
 4-32 district, using any money available to the district for the
 4-33 purpose, may provide, design, construct, acquire, improve,
 4-34 relocate, operate, maintain, or finance an improvement project or
 4-35 service authorized under this chapter or Chapter 375, Local
 4-36 Government Code.

4-37 (b) The district may contract with a governmental or private
 4-38 entity to carry out an action under Subsection (a).

4-39 (c) The implementation of a district project or service is a
 4-40 governmental function or service for the purposes of Chapter 791,
 4-41 Government Code.

4-42 Sec. 3980.0303. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
 4-43 The district may join and pay dues to a charitable or nonprofit
 4-44 organization that performs a service or provides an activity
 4-45 consistent with the furtherance of a district purpose.

4-46 Sec. 3980.0304. ADDING OR EXCLUDING LAND. (a) The district
 4-47 may add or exclude land in the manner provided by Subchapter J,
 4-48 Chapter 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

4-49 (b) A district may not add or exclude land unless the city
 4-50 consents to the addition or exclusion.

4-51 Sec. 3980.0305. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 4-52 board by resolution shall establish the number of directors'
 4-53 signatures and the procedure required for a disbursement or
 4-54 transfer of district money.

4-55 Sec. 3980.0306. APPROVAL BY THE CITY. (a) The district
 4-56 must obtain the approval of the city for:

4-57 (1) the plans and specifications of an improvement
 4-58 project financed by bonds, notes, or other obligations; and

4-59 (2) the plans and specifications of an improvement
 4-60 project related to the use of land owned by the city, an easement
 4-61 granted by the city, or a right-of-way of a street, road, or
 4-62 highway.

4-63 (b) City approval may be by an administrative process that
 4-64 does not involve the city's governing body, unless approval of the
 4-65 city's governing body is required by federal, state, or local law,
 4-66 ordinance, or regulation.

4-67 (c) Before issuing bonds, the district must:

4-68 (1) provide to the city the documents authorizing the
 4-69 bonds;

5-1 (2) provide to the city a certification from each
5-2 developer of property in the district that the developer is in
5-3 compliance with the terms and conditions of the developer's project
5-4 agreement with the city; and

5-5 (3) certify that the district is in compliance with
5-6 the terms and conditions of the ordinance or resolution consenting
5-7 to the creation of the district under Section 3980.0109 and the
5-8 operating agreement entered into under that section.

5-9 (d) The city must complete the city's review of the
5-10 documents and certifications required by Subsection (c) not later
5-11 than the 30th day after the date the city receives the documents and
5-12 certifications. The city may object to the issuance of the bonds if
5-13 the city determines that:

5-14 (1) the district is not in compliance with the terms
5-15 and conditions of the ordinance or resolution consenting to the
5-16 creation of the district under Section 3980.0109;

5-17 (2) the district is not in compliance with the
5-18 operating agreement entered into under Section 3980.0109; or

5-19 (3) a developer of property in the district is not in
5-20 compliance with the terms and conditions of a project agreement
5-21 that applies to the developer.

5-22 (e) If the city objects to the district's issuance of bonds,
5-23 the district must obtain the consent of the city's governing body to
5-24 the issuance of the bonds. The city's governing body may not
5-25 unreasonably withhold consent to the issuance of bonds.

5-26 (f) Section 375.207, Local Government Code, does not apply
5-27 to the district.

5-28 Sec. 3980.0307. NO EMINENT DOMAIN POWER. The district may
5-29 not exercise the power of eminent domain.

5-30 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

5-31 Sec. 3980.0401. PETITION REQUIRED FOR FINANCING SERVICES
5-32 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
5-33 service or improvement project with assessments under this chapter
5-34 unless a written petition requesting that service or improvement
5-35 has been filed with the board.

5-36 (b) A petition filed under Subsection (a) must be signed by
5-37 the owner or owners of a majority of the assessed value of real
5-38 property in the district subject to assessment according to the
5-39 most recent certified tax appraisal roll for the county.

5-40 Sec. 3980.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
5-41 The board by resolution may impose and collect an assessment for any
5-42 purpose authorized by this chapter in all or any part of the
5-43 district. Section 375.161, Local Government Code, does not apply
5-44 to an assessment imposed by the district.

5-45 (b) An assessment, a reassessment, or an assessment
5-46 resulting from an addition to or correction of the assessment roll
5-47 by the district, penalties and interest on an assessment or
5-48 reassessment, an expense of collection, and reasonable attorney's
5-49 fees incurred by the district:

5-50 (1) are a first and prior lien against the property
5-51 assessed;

5-52 (2) are superior to any other lien or claim other than
5-53 a lien or claim for county, school district, or municipal ad valorem
5-54 taxes; and

5-55 (3) are the personal liability of and a charge against
5-56 the owners of the property even if the owners are not named in the
5-57 assessment proceedings.

5-58 (c) The lien is effective from the date of the board's
5-59 resolution imposing the assessment until the date the assessment is
5-60 paid. The board may enforce the lien in the same manner that the
5-61 board may enforce an ad valorem tax lien against real property.

5-62 (d) The board may make a correction to or deletion from the
5-63 assessment roll that does not increase the amount of assessment of
5-64 any parcel of land without providing notice and holding a hearing in
5-65 the manner required for additional assessments.

5-66 Sec. 3980.0403. IMPACT FEES PROHIBITED. The district may
5-67 not adopt or impose an impact fee.

5-68 SUBCHAPTER E. TAXES AND BONDS

5-69 Sec. 3980.0501. TAX ELECTION REQUIRED. The district must

6-1 hold an election in the manner provided by Chapter 49, Water Code,
6-2 or, if applicable, Chapter 375, Local Government Code, to obtain
6-3 voter approval before the district may impose an ad valorem tax.

6-4 Sec. 3980.0502. OPERATION AND MAINTENANCE TAX. (a) If
6-5 authorized by a majority of the district voters voting at an
6-6 election under Section 3980.0501, the district may impose an
6-7 operation and maintenance tax on taxable property in the district
6-8 in the manner provided by Section 49.107, Water Code, for any
6-9 district purpose, including to:

- 6-10 (1) maintain and operate the district;
- 6-11 (2) construct or acquire improvements; or
- 6-12 (3) provide a service.

6-13 (b) The board shall determine the operation and maintenance
6-14 tax rate. The rate may not exceed the rate approved at the
6-15 election.

6-16 Sec. 3980.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
6-17 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
6-18 terms determined by the board.

6-19 (b) The district may issue bonds, notes, or other
6-20 obligations payable wholly or partly from ad valorem taxes,
6-21 assessments, revenue, contract payments, grants, or other district
6-22 money, or any combination of those sources of money, to pay for any
6-23 authorized district purpose.

6-24 (c) The principal amount of bonds issued by the district in
6-25 aggregate may not exceed 10 percent of the assessed value of all
6-26 real property in the district.

6-27 Sec. 3980.0504. BONDS SECURED BY REVENUE OR CONTRACT
6-28 PAYMENTS. The district may issue, without an election, bonds
6-29 secured by:

- 6-30 (1) revenue other than ad valorem taxes, including
- 6-31 contract revenues; or
- 6-32 (2) contract payments, provided that the requirements
- 6-33 of Section 49.108, Water Code, have been met.

6-34 Sec. 3980.0505. BONDS SECURED BY AD VALOREM TAXES;
6-35 ELECTIONS. (a) If authorized at an election under Section
6-36 3980.0501, the district may issue bonds payable from ad valorem
6-37 taxes.

6-38 (b) Section 375.243, Local Government Code, does not apply
6-39 to the district.

6-40 (c) At the time the district issues bonds payable wholly or
6-41 partly from ad valorem taxes, the board shall provide for the annual
6-42 imposition of a continuing direct annual ad valorem tax, without
6-43 limit as to rate or amount, for each year that all or part of the
6-44 bonds are outstanding as required and in the manner provided by
6-45 Sections 54.601 and 54.602, Water Code.

6-46 (d) All or any part of any facilities or improvements that
6-47 may be acquired by a district by the issuance of its bonds may be
6-48 submitted as a single proposition or as several propositions to be
6-49 voted on at the election.

6-50 Sec. 3980.0506. CITY NOT REQUIRED TO PAY DISTRICT
6-51 OBLIGATIONS. Except as provided by Section 375.263, Local
6-52 Government Code, the city is not required to pay a bond, note, or
6-53 other obligation of the district.

6-54 SUBCHAPTER F. DEFINED AREAS

6-55 Sec. 3980.0601. AUTHORITY TO ESTABLISH DEFINED AREAS OR
6-56 DESIGNATED PROPERTY. The district may define areas or designate
6-57 certain property of the district to pay for improvements,
6-58 facilities, or services that primarily benefit that area or
6-59 property and do not generally and directly benefit the district as a
6-60 whole.

6-61 Sec. 3980.0602. PROCEDURE FOR ELECTION. (a) Before the
6-62 district may impose an ad valorem tax applicable only to the defined
6-63 area or designated property or issue bonds payable from ad valorem
6-64 taxes of the defined area or designated property, the board shall
6-65 hold an election as provided by Section 3980.0501 in the defined
6-66 area or designated property only.

6-67 (b) The board may submit the proposition to the voters on
6-68 the same ballot to be used in another election.

6-69 Sec. 3980.0603. DECLARING RESULT AND ISSUING ORDER.

7-1 (a) If a majority of the voters voting at the election held under
 7-2 Section 3980.0602 approve the proposition or propositions, the
 7-3 board shall declare the results and, by order, shall establish the
 7-4 defined area or designated property and describe it by metes and
 7-5 bounds or designate the specific area or property.

7-6 (b) The board's order is not subject to judicial review
 7-7 except on the ground of fraud, palpable error, or arbitrary and
 7-8 confiscatory abuse of discretion.

7-9 Sec. 3980.0604. TAXES FOR SERVICES, IMPROVEMENTS, AND
 7-10 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
 7-11 approval and adoption of the order described by Section 3980.0603,
 7-12 the district may apply separately, differently, equitably, and
 7-13 specifically its taxing power and lien authority to the defined
 7-14 area or designated property to provide money to construct,
 7-15 administer, maintain, and operate services, improvements, and
 7-16 facilities that primarily benefit the defined area or designated
 7-17 property.

7-18 Sec. 3980.0605. ISSUANCE OF BONDS FOR DEFINED AREA OR
 7-19 DESIGNATED PROPERTY. After the order under Section 3980.0603 is
 7-20 adopted, the district may issue bonds to provide for any land,
 7-21 improvements, facilities, plants, equipment, and appliances for
 7-22 the defined area or designated property.

7-23 SUBCHAPTER G. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

7-24 Sec. 3980.0701. DIVISION OF DISTRICT; PREREQUISITES. The
 7-25 district may be divided into two or more new districts only if the
 7-26 district:

- 7-27 (1) has never issued any bonds; and
 7-28 (2) is not imposing ad valorem taxes.

7-29 Sec. 3980.0702. LAW APPLICABLE TO NEW DISTRICT. This
 7-30 chapter applies to any new district created by division of the
 7-31 district, and a new district has all the powers and duties of the
 7-32 district.

7-33 Sec. 3980.0703. LIMITATION ON AREA OF NEW DISTRICT. A new
 7-34 district created by the division of the district may not, at the
 7-35 time the new district is created, contain any land outside the area
 7-36 described by Section 2 of the Act enacting this chapter.

7-37 Sec. 3980.0704. DIVISION PROCEDURES. (a) The board, on its
 7-38 own motion or on receipt of a petition signed by the owner or owners
 7-39 of a majority of the assessed value of the real property in the
 7-40 district, may adopt an order dividing the district.

7-41 (b) An order dividing the district must:

- 7-42 (1) name each new district;
 7-43 (2) include the metes and bounds description of the
 7-44 territory of each new district;
 7-45 (3) appoint temporary directors for each new district;
 7-46 and
 7-47 (4) provide for the division of assets and liabilities
 7-48 between the new districts.

7-49 (c) On or before the 30th day after the date of adoption of
 7-50 an order dividing the district, the district shall file the order
 7-51 with the Texas Commission on Environmental Quality and record the
 7-52 order in the real property records of each county in which the
 7-53 district is located.

7-54 Sec. 3980.0705. DIRECTORS' ELECTION FOR NEW DISTRICT. A
 7-55 new district created by the division of the district shall hold a
 7-56 directors' election in the manner provided by Section 3980.0201.

7-57 Sec. 3980.0706. TAX OR BOND ELECTION. Before a new district
 7-58 created by the division of the district may impose an operation and
 7-59 maintenance tax under Section 3980.0502 or issue bonds payable
 7-60 wholly or partly from ad valorem taxes, the new district must hold
 7-61 an election as required by this chapter to obtain voter approval.

7-62 Sec. 3980.0707. CITY CONSENT. (a) City consent to the
 7-63 creation of the district and to the inclusion of land in the
 7-64 district granted under Section 3980.0109 acts as municipal consent
 7-65 to the creation of any new district created by the division of the
 7-66 district and to the inclusion of land in the new district.

7-67 (b) A new district created by division of the district is
 7-68 subject to the terms and conditions contained in the ordinance or
 7-69 resolution consenting to the creation of the district under Section

8-1 3980.0109.

8-2 Sec. 3980.0708. OPERATING AGREEMENT AND PROJECT AGREEMENT.

8-3 (a) Except as provided by Subsection (b), before a new district
 8-4 created by division of the district may exercise any powers under
 8-5 this chapter:

8-6 (1) the new district must enter into:

8-7 (A) a joinder to the existing operating agreement
 8-8 between the city and the district; or

8-9 (B) a separate operating agreement with the city;
 8-10 and

8-11 (2) each developer of property in the new district
 8-12 must enter into:

8-13 (A) a joinder to an existing project agreement
 8-14 between the city and a developer of property in the district
 8-15 applicable to the territory in the new district; or

8-16 (B) a separate project agreement with the city.

8-17 (b) A new district created by division of the district has
 8-18 the powers necessary, convenient, or desirable to negotiate and
 8-19 execute an agreement described by Subsection (a).

8-20 SUBCHAPTER H. DISSOLUTION

8-21 Sec. 3980.0801. DISSOLUTION. (a) The board shall dissolve
 8-22 the district on written petition filed with the board by the owner
 8-23 or owners of:

8-24 (1) 66 percent or more of the assessed value of the
 8-25 property subject to assessment by the district based on the most
 8-26 recent certified county property tax rolls; or

8-27 (2) 66 percent or more of the surface area of the
 8-28 district, excluding roads, streets, highways, utility
 8-29 rights-of-way, other public areas, and other property exempt from
 8-30 assessment by the district according to the most recent certified
 8-31 county property tax rolls.

8-32 (b) The board by majority vote may dissolve the district at
 8-33 any time.

8-34 (c) The district may not be dissolved by its board under
 8-35 Subsection (a) or (b) if the district:

8-36 (1) has any outstanding bonded indebtedness until that
 8-37 bonded indebtedness has been repaid or defeased in accordance with
 8-38 the order or resolution authorizing the issuance of the bonds;

8-39 (2) has a contractual obligation to pay money until
 8-40 that obligation has been fully paid in accordance with the
 8-41 contract; or

8-42 (3) owns, operates, or maintains public works,
 8-43 facilities, or improvements unless the district contracts with
 8-44 another person for the ownership, operation, or maintenance of the
 8-45 public works, facilities, or improvements.

8-46 (d) Sections 375.261, 375.262, and 375.264, Local
 8-47 Government Code, do not apply to the district.

8-48 SECTION 2. The Hunter Ranch Improvement District No. 1 of
 8-49 Denton County, Texas, initially includes all territory contained in
 8-50 the following area:

8-51 TRACT 1:

8-52 BEING a tract of land situated in the E. Pizano Survey,
 8-53 Abstract Number 994, the G. Pettingale Survey, Abstract Number
 8-54 1041, the J. Taft Survey, Abstract Number 1269, the G. West Survey,
 8-55 Abstract Number 1393, the B.B.B. & C.R.R. CO. Survey, Abstract
 8-56 Number 158, Denton County, Texas, and being all of the remainder of
 8-57 that tract of land described by deed to Petrus Investment, L.P.
 8-58 (tract 1), recorded in Instrument Number 1998-117450, and all of
 8-59 that tract of land described by deed to Hillwood Investment Land,
 8-60 L.P., recorded in Instrument Number 2015-146192, Real Property
 8-61 Records, Denton County, Texas, and being more particularly
 8-62 described by metes and bounds as follows:

8-63 BEGINNING at the southwest corner of said Tract 1, being in
 8-64 the north right-of-way line of Robson Ranch Road;

8-65 THENCE N 00°37'44"W, 3285.00 feet, departing said north
 8-66 right-of-way line;

8-67 THENCE N 00°29'34"W, 3074.88 feet;

8-68 THENCE S 89°50'59"W, 1215.90 feet;

8-69 THENCE N 00°07'16"E, 3802.59 feet;

9-1 THENCE N 89°46'52"E, 5806.39 feet;
 9-2 THENCE N 01°19'45"E, 92.25 feet;
 9-3 THENCE N 89°29'17"E, 5406.54 feet, to the approximate center
 9-4 line of John Paine Road;
 9-5 THENCE N 00°09'21"W, 6119.82 feet, with said approximate
 9-6 center line;
 9-7 THENCE N 44°00'59"E, 231.30 feet, departing said approximate
 9-8 center line, to the south right-of-way line of FM 2449, being the
 9-9 beginning of a curve to the right;
 9-10 THENCE with said south right-of-way line and said curve to
 9-11 the right, an arc distance of 215.79 feet, through a central angle
 9-12 of 11°16'41", having a radius of 1096.28 feet, the long chord which
 9-13 bears S 66°45'34"E, 215.44 feet;
 9-14 THENCE S 61°07'13"E, 2320.45 feet, continuing with said south
 9-15 right-of-way line, to the beginning of a curve to the left;
 9-16 THENCE with said south right-of-way line and said curve to
 9-17 the left, an arc distance of 151.20 feet, through a central angle of
 9-18 01°29'56", having a radius of 5779.65 feet, the long chord which
 9-19 bears S 61°52'12"E, 151.19 feet;
 9-20 THENCE S 00°27'53"E, 1963.20 feet;
 9-21 THENCE S 89°55'28"E, 47.53 feet, to the west right-of-way line
 9-22 of Interstate Highway 35W;
 9-23 THENCE with said west right-of-way line the following
 9-24 bearings and distances:
 9-25 S 26°18'12"W, 1542.25 feet;
 9-26 S 32°02'34"W, 199.99 feet;
 9-27 S 26°18'12"W, 400.06 feet;
 9-28 S 19°10'44"W, 201.57 feet;
 9-29 S 26°18'12"W, 2962.69 feet;
 9-30 N 33°34'41"W, 200.24 feet;
 9-31 N 19°12'37"W, 155.68 feet;
 9-32 N 00°31'13"W, 111.31 feet;
 9-33 N 30°43'14"W, 44.34 feet;
 9-34 N 89°58'11"W, 46.00 feet;
 9-35 S 29°23'22"W, 44.72 feet;
 9-36 S 00°31'13"E, 210.31 feet;
 9-37 S 10°43'27"E, 103.30 feet;
 9-38 S 00°31'13"E, 118.88 feet;
 9-39 S 33°43'52"E, 270.79 feet;
 9-40 S 26°18'12"W, 2560.86 feet;
 9-41 S 27°54'47"W, 605.73 feet;
 9-42 S 29°23'19"W, 2716.37 feet;
 9-43 S 35°04'08"W, 202.07 feet;
 9-44 S 29°23'19"W, 899.62 feet;
 9-45 S 32°15'04"W, 144.34 feet;
 9-46 S 89°59'41"W, 56.40 feet;
 9-47 S 00°37'05"E, 92.68 feet;
 9-48 S 29°23'19"W, 749.32 feet;
 9-49 S 32°50'37"W, 497.80 feet;
 9-50 S 29°18'00"W, 128.98 feet;
 9-51 S 29°23'18"W, 922.23 feet;
 9-52 THENCE S 65°32'46"W, 23.56 feet, to the north right-of-way
 9-53 line of Robson Ranch Road;
 9-54 THENCE with said north right-of-way line the following
 9-55 bearings and distances:
 9-56 S 89°52'13"W, 246.95 feet;
 9-57 N 00°19'14"W, 5.20 feet;
 9-58 S 89°53'26"W, 290.34 feet;
 9-59 S 00°06'34"E, 5.00 feet;
 9-60 S 89°53'26"W, 200.00 feet;
 9-61 S 00°06'34"E, 5.00 feet;
 9-62 S 89°53'26"W, 600.00 feet;
 9-63 S 00°06'34"E, 5.00 feet;
 9-64 THENCE S 89°53'26"W, 4134.86 feet to the Point of Beginning
 9-65 and containing 102,688,371 square feet or 2357.40 acres of land
 9-66 more or less.
 9-67 TRACT 2:
 9-68 BEING a tract of land situated in the B.B.B. & C.R.R. Co.
 9-69 Survey, Abstract Number 158, the J. Taft Survey, Abstract Number

10-1 1269, the B.B.B & C.R.R. Co. Survey, Abstract Number 159, the G.
 10-2 Pettingale Survey, Abstract Number 1041, the B.B.B. & C.R.R. Co.
 10-3 Survey, Abstract Number 160, the S. Pritchett Survey, Abstract
 10-4 Number 1021 and the G. West Survey, Abstract Number 1393, Denton
 10-5 County, Texas, and being the remainder of that tract of land
 10-6 described by deed to Petrus investment, L.P., recorded in
 10-7 Instrument Number 1998-117450, Real Property Records, Denton
 10-8 County, Texas and being more particularly described by metes and
 10-9 bounds as follows:

10-10 BEGINNING at the intersection of the of John Paine Road and
 10-11 Johnson Lane;

10-12 THENCE S 00°30'43"E, 3045.50 feet, with the approximate
 10-13 centerline of said John Paine Road, to the beginning of a curve to
 10-14 the left;

10-15 THENCE with said approximate centerline and said curve to the
 10-16 left, an arc distance of 179.75 feet, through a central angle of
 10-17 19°11'48", having a radius of 536.50 feet, the long chord which
 10-18 bears S 09°24'16"W, 178.91 feet;

10-19 THENCE S 00°13'45"E, 426.23 feet, with said approximate
 10-20 centerline;

10-21 THENCE S 89°53'42"W, 2258.03 feet, departing said approximate
 10-22 centerline;

10-23 THENCE N 00°26'28"E, 497.90 feet;

10-24 THENCE S 89°59'41"W, 273.92 feet, to the east right-of-way
 10-25 line of Interstate Highway 35W;

10-26 THENCE with said east right-of-way line the following
 10-27 bearings and distances:

10-28 N 29°23'19"E, 847.04 feet;

10-29 N 23°44'25"E, 203.21 feet;

10-30 N 29°23'16"E, 2716.06 feet;

10-31 N 27°54'47"E, 621.79 feet;

10-32 N 26°18'12"E, 2150.05 feet;

10-33 N 89°55'52"E, 470.07 feet;

10-34 S 76°13'57"E, 71.47 feet;

10-35 N 89°37'20"E, 80.00 feet;

10-36 N 71°38'56"E, 52.97 feet;

10-37 N 16°39'41"E, 51.30 feet;

10-38 N 70°04'44"W, 229.45 feet;

10-39 N 54°35'05"W, 163.69 feet;

10-40 N 33°40'57"W, 209.99 feet;

10-41 N 26°18'12"E, 3164.78 feet;

10-42 N 36°14'02"E, 202.95 feet;

10-43 N 26°18'12"E, 399.25 feet;

10-44 N 32°45'23"E, 400.40 feet;

10-45 N 26°18'12"E, 399.87 feet;

10-46 N 14°58'58"E, 305.66 feet;

10-47 N 26°18'12"E, 833.31 feet;

10-48 THENCE N 89°32'14"E, 1998.29 feet, departing said east
 10-49 right-of-way line;

10-50 THENCE S 00°48'03"E, 5473.72 feet, to the approximate
 10-51 centerline of Allred Road;

10-52 THENCE S 89°49'27"W, 3048.35 feet, with said approximate
 10-53 centerline;

10-54 THENCE S 00°27'04"E, 2640.07 feet, departing said approximate
 10-55 centerline;

10-56 THENCE S 89°59'08"W, 2353.13 feet to the Point of Beginning
 10-57 and containing 31,246,880 square feet or 717.33 acres of land more
 10-58 or less.

10-59 TRACT 3:

10-60 BEING a tract of land situated in the S. Pritchett Survey,
 10-61 Abstract Number 1004, the G. West Survey, Abstract Number 1393, the
 10-62 C.W. Byerly Survey, Abstract Number 1458, and the J. Dalton Survey,
 10-63 Abstract Number 353, Denton County, Texas, and being all of the
 10-64 remainder of that tract of land described by deed to Petrus
 10-65 Investment, L.P., (tract 3) recorded in Instrument Number
 10-66 1998-117450, Real Property Records, Denton County, Texas, and being
 10-67 more particularly described by metes and bounds as follows:

10-68 BEGINNING at an ell corner in the east line of said tract 3,
 10-69 being the northwest corner of that tract of land described by deed

11-1 to Southwest Denton Venture, recorded in Instrument Number
11-2 1994-94865, said Real Property Records;
11-3 THENCE S 00°26'39"E, 996.99 feet, with the east line of said
11-4 tract 3, to the north right-of-way line of FM 2449, being the
11-5 beginning of a curve to the right;
11-6 THENCE with said north right-of-way line and said curve to
11-7 the right, an arc distance of 95.22 feet, through a central angle of
11-8 00°57'38", having a radius of 5679.65 feet, the long chord which
11-9 bears N 61°36'02"W, 95.22 feet;
11-10 THENCE N 61°07'13"W, 2320.45 feet, with said north
11-11 right-of-way line;
11-12 THENCE N 00°16'51"W, 99.92 feet, to the approximate
11-13 centerline of Underwood Road;
11-14 THENCE N 89°44'37"E, 986.31 feet, with said approximate
11-15 centerline;
11-16 THENCE N 01°13'53"E, 1106.15 feet, continuing with said
11-17 approximate centerline, to the southwest corner of that tract of
11-18 land described by deed to W.C. Lynch, recorded in Instrument Number
11-19 1991-23744, said Real Property Records;
11-20 THENCE S 89°48'49"E, 1847.04 feet, with the south line of said
11-21 Lynch tract;
11-22 THENCE S 00°25'26"E, 427.73 feet, departing said south line,
11-23 to the approximate centerline of Hickory Creek;
11-24 THENCE with the approximate centerline of Hickory Creek the
11-25 following bearings and distances:
11-26 S 40°20'08"E, 256.75 feet;
11-27 S 49°08'35"E, 333.56 feet;
11-28 S 44°58'00"E, 94.76 feet;
11-29 S 24°00'36"E, 123.31 feet;
11-30 S 05°41'36"W, 211.41 feet;
11-31 THENCE S 02°18'34"E, 131.60 feet, to the north line of the
11-32 aforementioned Southwest Denton JV tract;
11-33 THENCE S 89°32'45"W, 1271.86 feet, departing said Hickory
11-34 Creek, to the Point of Beginning and containing 4,050,704 square
11-35 feet or 92.99 acres of land more or less.
11-36 SECTION 3. (a) The legal notice of the intention to
11-37 introduce this Act, setting forth the general substance of this
11-38 Act, has been published as provided by law, and the notice and a
11-39 copy of this Act have been furnished to all persons, agencies,
11-40 officials, or entities to which they are required to be furnished
11-41 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11-42 Government Code.
11-43 (b) The governor, one of the required recipients, has
11-44 submitted the notice and Act to the Texas Commission on
11-45 Environmental Quality.
11-46 (c) The Texas Commission on Environmental Quality has filed
11-47 its recommendations relating to this Act with the governor,
11-48 lieutenant governor, and speaker of the house of representatives
11-49 within the required time.
11-50 (d) All requirements of the constitution and laws of this
11-51 state and the rules and procedures of the legislature with respect
11-52 to the notice, introduction, and passage of this Act have been
11-53 fulfilled and accomplished.
11-54 SECTION 4. This Act takes effect immediately if it receives
11-55 a vote of two-thirds of all the members elected to each house, as
11-56 provided by Section 39, Article III, Texas Constitution. If this
11-57 Act does not receive the vote necessary for immediate effect, this
11-58 Act takes effect September 1, 2019.

11-59

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