

1 AN ACT

2 relating to the creation of the La La Ranch Municipal Utility  
3 District of Denton County; granting a limited power of eminent  
4 domain; providing authority to issue bonds; providing authority to  
5 impose 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 8031 to read as follows:

9 CHAPTER 8031. LA LA RANCH MUNICIPAL UTILITY DISTRICT OF DENTON

10 COUNTY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 8031.0101. DEFINITIONS. In this chapter:

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

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

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

17 (4) "District" means the La La Ranch Municipal Utility  
18 District of Denton County.

19 Sec. 8031.0102. NATURE OF DISTRICT. The district is a  
20 municipal utility district created under Section 59, Article XVI,  
21 Texas Constitution.

22 Sec. 8031.0103. CONFIRMATION AND DIRECTOR ELECTION  
23 REQUIRED. The temporary directors shall hold an election to  
24 confirm the creation of the district and to elect five permanent

1 directors as provided by Section 49.102, Water Code.

2 Sec. 8031.0104. CONSENT OF MUNICIPALITY REQUIRED. The  
3 temporary directors may not hold an election under Section  
4 8031.0103 until each municipality in whose corporate limits or  
5 extraterritorial jurisdiction the district is located has  
6 consented by ordinance or resolution to the creation of the  
7 district and to the inclusion of land in the district.

8 Sec. 8031.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

9 (a) The district is created to serve a public purpose and benefit.

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

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

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

17 Sec. 8031.0106. INITIAL DISTRICT TERRITORY. (a) The  
18 district is initially composed of the territory described by  
19 Section 2 of the Act enacting this chapter.

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

24 (1) organization, existence, or validity;

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

1           (3) right to impose a tax; or

2           (4) legality or operation.

3                   SUBCHAPTER B. BOARD OF DIRECTORS

4           Sec. 8031.0201. GOVERNING BODY; TERMS. (a) The district is  
5 governed by a board of five elected directors.

6           (b) Except as provided by Section 8031.0202, directors  
7 serve staggered four-year terms.

8           Sec. 8031.0202. TEMPORARY DIRECTORS. (a) On or after  
9 September 1, 2019, the owner or owners of a majority of the assessed  
10 value of the real property in the district may submit a petition to  
11 the commission requesting that the commission appoint as temporary  
12 directors the five persons named in the petition. The commission  
13 shall appoint as temporary directors the five persons named in the  
14 petition.

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

16                   (1) the date permanent directors are elected under  
17 Section 8031.0103; or

18                   (2) September 1, 2023.

19           (c) If permanent directors have not been elected under  
20 Section 8031.0103 and the terms of the temporary directors have  
21 expired, successor temporary directors shall be appointed or  
22 reappointed as provided by Subsection (d) to serve terms that  
23 expire on the earlier of:

24                   (1) the date permanent directors are elected under  
25 Section 8031.0103; or

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

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

8                   SUBCHAPTER C. POWERS AND DUTIES

9       Sec. 8031.0301. GENERAL POWERS AND DUTIES. The district  
10 has the powers and duties necessary to accomplish the purposes for  
11 which the district is created.

12       Sec. 8031.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
13 DUTIES. The district has the powers and duties provided by the  
14 general law of this state, including Chapters 49 and 54, Water Code,  
15 applicable to municipal utility districts created under Section 59,  
16 Article XVI, Texas Constitution.

17       Sec. 8031.0303. AUTHORITY FOR ROAD PROJECTS. Under Section  
18 52, Article III, Texas Constitution, the district may design,  
19 acquire, construct, finance, issue bonds for, improve, operate,  
20 maintain, and convey to this state, a county, or a municipality for  
21 operation and maintenance macadamized, graveled, or paved roads, or  
22 improvements, including storm drainage, in aid of those roads.

23       Sec. 8031.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
24 road project must meet all applicable construction standards,  
25 zoning and subdivision requirements, and regulations of each  
26 municipality in whose corporate limits or extraterritorial  
27 jurisdiction the road project is located.

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

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

9       Sec. 8031.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
10 ORDINANCE OR RESOLUTION. The district shall comply with all  
11 applicable requirements of any ordinance or resolution that is  
12 adopted under Section 54.016 or 54.0165, Water Code, and that  
13 consents to the creation of the district or to the inclusion of land  
14 in the district.

15       Sec. 8031.0306. DIVISION OF DISTRICT. (a) The district may  
16 be divided into two or more new districts only if the district:

17               (1) has no outstanding bonded debt; and

18               (2) is not imposing ad valorem taxes.

19       (b) This chapter applies to any new district created by the  
20 division of the district, and a new district has all the powers and  
21 duties of the district.

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

26       (d) The board, on its own motion or on receipt of a petition  
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the  
2 district.

3 (e) The board may adopt an order dividing the district  
4 before or after the date the board holds an election under Section  
5 8031.0103 to confirm the district's creation.

6 (f) An order dividing the district shall:

7 (1) name each new district;

8 (2) include the metes and bounds description of the  
9 territory of each new district;

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

11 and

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

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

18 (h) Any new district created by the division of the district  
19 shall hold a confirmation and directors' election as required by  
20 Section 8031.0103. If the voters of a new district do not confirm  
21 the creation of the new district, the assets, obligations,  
22 territory, and governance of the new district revert to the  
23 original district.

24 (i) Municipal consent to the creation of the district and to  
25 the inclusion of land in the district granted under Section  
26 8031.0104 acts as municipal consent to the creation of any new  
27 district created by the division of the district and to the

1 inclusion of land in the new district.

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

6 Sec. 8031.0307. FIREFIGHTING SERVICES. Notwithstanding  
7 Section 49.351(a), Water Code, the district may, as authorized by  
8 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,  
9 Water Code:

10 (1) establish, operate, and maintain a fire  
11 department;

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

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

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 8031.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
19 The district may issue, without an election, bonds and other  
20 obligations secured by:

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

22 (2) contract payments described by Section 8031.0403.

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

27 (c) The district may not issue bonds payable from ad valorem

1 taxes to finance a road project unless the issuance is approved by a  
2 vote of a two-thirds majority of the district voters voting at an  
3 election held for that purpose.

4 Sec. 8031.0402. OPERATION AND MAINTENANCE TAX. (a) If  
5 authorized at an election held under Section 8031.0401, the  
6 district may impose an operation and maintenance tax on taxable  
7 property in the district in accordance with Section 49.107, Water  
8 Code.

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

11 Sec. 8031.0403. CONTRACT TAXES. (a) In accordance with  
12 Section 49.108, Water Code, the district may impose a tax other than  
13 an operation and maintenance tax and use the revenue derived from  
14 the tax to make payments under a contract after the provisions of  
15 the contract have been approved by a majority of the district voters  
16 voting at an election held for that purpose.

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

20 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

21 Sec. 8031.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
22 OBLIGATIONS. The district may issue bonds or other obligations  
23 payable wholly or partly from ad valorem taxes, impact fees,  
24 revenue, contract payments, grants, or other district money, or any  
25 combination of those sources, to pay for any authorized district  
26 purpose.

27 Sec. 8031.0502. TAXES FOR BONDS. At the time the district



1 issues bonds payable wholly or partly from ad valorem taxes, the  
2 board shall provide for the annual imposition of a continuing  
3 direct ad valorem tax, without limit as to rate or amount, while all  
4 or part of the bonds are outstanding as required and in the manner  
5 provided by Sections 54.601 and 54.602, Water Code.

6 Sec. 8031.0503. BONDS FOR ROAD PROJECTS. At the time of  
7 issuance, the total principal amount of bonds or other obligations  
8 issued or incurred to finance road projects and payable from ad  
9 valorem taxes may not exceed one-fourth of the assessed value of the  
10 real property in the district.

11 SECTION 2. The La La Ranch Municipal Utility District of  
12 Denton County initially includes all the territory contained in the  
13 following area:

14 BEING a tract of land situated in the Henry Harman  
15 Survey, Abstract Number 617, Denton County, Texas,  
16 being the east 1/2 of said survey and that tract of  
17 land conveyed to La La Ranch, LLC. according to the  
18 document filed of record in Instrument Number  
19 2016-71592, Real Property Records Denton County, Texas  
20 (R.P.R.D.C.T.), said tract being more particularly  
21 described as follows:

22 BEGINNING at a point for the northwest corner of said  
23 La La Ranch tract and the tract of land described  
24 herein;

25 THENCE South 87°37'20" East, with the north line of  
26 said tract, a distance of 2,541.52 feet to a point for  
27 the northeast corner of this tract and the beginning of

1 a non-tangent curve to the left having a central angle  
2 of 7°01'35", a radius of 39,156.15 feet, a chord  
3 bearing and distance of South 6°14'19" East, 4,798.91  
4 feet;

5 THENCE over and across said tract in a southeasterly  
6 direction, with said curve to the left, an arc distance  
7 of 4,801.92 feet to a point for the southeast corner of  
8 this tract and being the beginning of a non-tangent  
9 curve to the left having a central angle of 7°17'15", a  
10 radius of 26,264.72 feet, a chord bearing and distance  
11 of South 70°52'17" West, 3,338.34 feet;

12 THENCE continuing over and across said tract in a  
13 southwesterly direction, with said curve to the left,  
14 an arc distance of 3,340.59 feet to a point in the west  
15 line of said tract for the southwest corner of this  
16 tract;

17 THENCE North 0°53'40" East, with the west line of the  
18 above mentioned La La Ranch tract, a distance of  
19 5,970.60 feet to the POINT OF BEGINNING and containing  
20 15,039,337 square feet or 345.26 acres of land, more or  
21 less.

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

1 Government Code.

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

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

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

13 SECTION 4. (a) If this Act does not receive a two-thirds  
14 vote of all the members elected to each house, Subchapter C, Chapter  
15 8031, Special District Local Laws Code, as added by Section 1 of  
16 this Act, is amended by adding Section 8031.0308 to read as follows:

17 Sec. 8031.0308. NO EMINENT DOMAIN POWER. The district may  
18 not exercise the power of eminent domain.

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

22 SECTION 5. This Act takes effect September 1, 2019.

---

President of the Senate

---

Speaker of the House

I certify that H.B. No. 4719 was passed by the House on May 3, 2019, by the following vote: Yeas 124, Nays 16, 2 present, not voting.

---

Chief Clerk of the House

I certify that H.B. No. 4719 was passed by the Senate on May 22, 2019, by the following vote: Yeas 30, Nays 1.

---

Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

---

Governor