

By: Fallon

S.B. No. 2545

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Double M Municipal Utility District of Grayson County; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 8314 to read as follows:

CHAPTER 8314. DOUBLE M MUNICIPAL UTILITY DISTRICT OF GRAYSON

COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8314.0101. DEFINITIONS. In this chapter:

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

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

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

(4) "Director" means a board member.

(5) "District" means the Double M Municipal Utility District of Grayson County.

Sec. 8314.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8314.0103. CONFIRMATION AND DIRECTOR 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. 8314.0104. CONSENT OF MUNICIPALITY REQUIRED. The
4 temporary directors may not hold an election under Section
5 8314.0103 until each municipality in whose corporate limits or
6 extraterritorial jurisdiction the district is located has:

7 (1) consented by ordinance or resolution to the
8 creation of the district and to the inclusion of land in the
9 district; and

10 (2) approved and entered into a development agreement
11 with the owners of land within the district under Section 212.172,
12 Local Government Code.

13 Sec. 8314.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

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

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

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

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

22 Sec. 8314.0106. INITIAL DISTRICT TERRITORY. (a) The
23 district is initially composed of the territory described by
24 Section 2 of the Act enacting this chapter.

25 (b) The boundaries and field notes contained in Section 2 of
26 the Act enacting this chapter form a closure. A mistake made in the
27 field notes or in copying the field notes in the legislative process

1 does not affect the district's:

2 (1) organization, existence, or validity;

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

6 (3) right to impose a tax; or

7 (4) legality or operation.

8 Sec. 8314.0107. ANNEXATION BY CITY. Notwithstanding any
9 other law, if any of the territory of the district is annexed by the
10 city into the city's corporate limits, the district:

11 (1) retains all of the district's outstanding debt and
12 obligations; and

13 (2) is not dissolved.

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8314.0201. GOVERNING BODY; TERMS. (a) The district is
16 governed by a board of five elected directors.

17 (b) Except as provided by Section 8314.0202, directors
18 serve staggered four-year terms.

19 Sec. 8314.0202. TEMPORARY DIRECTORS. (a) On or after
20 September 1, 2019, the owner or owners of a majority of the assessed
21 value of the real property in the district may submit a petition to
22 the commission requesting that the commission appoint as temporary
23 directors the five persons named in the petition. The commission
24 shall appoint as temporary directors the five persons named in the
25 petition.

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

27 (1) the date permanent directors are elected under

1 Section 8314.0103; or

2 (2) September 1, 2023.

3 (c) If permanent directors have not been elected under
4 Section 8314.0103 and the terms of the temporary directors have
5 expired, successor temporary directors shall be appointed or
6 reappointed as provided by Subsection (d) to serve terms that
7 expire on the earlier of:

8 (1) the date permanent directors are elected under
9 Section 8314.0103; or

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

12 (d) If Subsection (c) applies, the owner or owners of a
13 majority of the assessed value of the real property in the district
14 may submit a petition to the commission requesting that the
15 commission appoint as successor temporary directors the five
16 persons named in the petition. The commission shall appoint as
17 successor temporary directors the five persons named in the
18 petition.

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8314.0301. GENERAL POWERS AND DUTIES. The district
21 has the powers and duties necessary to accomplish the purposes for
22 which the district is created.

23 Sec. 8314.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
24 DUTIES. (a) The district has the powers and duties provided by the
25 general law of this state, including Chapters 49 and 54, Water Code,
26 applicable to municipal utility districts created under Section 59,
27 Article XVI, Texas Constitution.

1 (b) Notwithstanding Subsection (a), the district may not
2 act as a retail provider of water or wastewater service.

3 (c) The district shall make the district's water and
4 wastewater facilities available to an entity holding the applicable
5 certificate of public convenience and necessity.

6 Sec. 8314.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
7 52, Article III, Texas Constitution, the district may design,
8 acquire, construct, finance, issue bonds for, improve, operate,
9 maintain, and convey to this state, a county, or a municipality for
10 operation and maintenance macadamized, graveled, or paved roads, or
11 improvements, including storm drainage, in aid of those roads.

12 Sec. 8314.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
13 road project must meet all applicable construction standards,
14 zoning and subdivision requirements, and regulations of each
15 municipality in whose corporate limits or extraterritorial
16 jurisdiction the road project is located.

17 (b) If a road project is not located in the corporate limits
18 or extraterritorial jurisdiction of a municipality, the road
19 project must meet all applicable construction standards,
20 subdivision requirements, and regulations of each county in which
21 the road project is located.

22 (c) If the state will maintain and operate the road, the
23 Texas Transportation Commission must approve the plans and
24 specifications of the road project.

25 Sec. 8314.0305. COMPLIANCE WITH MUNICIPAL CONSENT
26 ORDINANCE OR RESOLUTION. The district shall comply with all
27 applicable requirements of any ordinance or resolution that is

1 adopted under Section 54.016 or 54.0165, Water Code, and that
2 consents to the creation of the district or to the inclusion of land
3 in the district.

4 Sec. 8314.0306. DIVISION OF DISTRICT. (a) The district may
5 be divided into two or more new districts only if the district:

6 (1) has no outstanding bonded debt; and

7 (2) is not imposing ad valorem taxes.

8 (b) This chapter applies to any new district created by the
9 division of the district, and a new district has all the powers and
10 duties of the district.

11 (c) Any new district created by the division of the district
12 may not, at the time the new district is created, contain any land
13 outside the area described by Section 2 of the Act enacting this
14 chapter.

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

19 (e) The board may adopt an order dividing the district
20 before or after the date the board holds an election under Section
21 8314.0103 to confirm the district's creation.

22 (f) An order dividing the district shall:

23 (1) name each new district;

24 (2) include the metes and bounds description of the
25 territory of each new district;

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

27 and

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

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

7 (h) Any new district created by the division of the district
8 shall hold a confirmation and directors' election as required by
9 Section 8314.0103. If the voters of a new district do not confirm
10 the creation of the new district, the assets, obligations,
11 territory, and governance of the new district revert to the
12 original district.

13 (i) Municipal consent to the creation of the district and to
14 the inclusion of land in the district granted under Section
15 8314.0104 acts as municipal consent to the creation of any new
16 district created by the division of the district and to the
17 inclusion of land in the new district.

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

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

23 Sec. 8314.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
24 The district may issue, without an election, bonds and other
25 obligations secured by:

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

27 (2) contract payments described by Section 8314.0403.

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

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

9 Sec. 8314.0402. OPERATION AND MAINTENANCE TAX. (a) If
10 authorized at an election held under Section 8314.0401, the
11 district may impose an operation and maintenance tax on taxable
12 property in the district in accordance with Section 49.107, Water
13 Code.

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

16 Sec. 8314.0403. CONTRACT TAXES. (a) In accordance with
17 Section 49.108, Water Code, the district may impose a tax other than
18 an operation and maintenance tax and use the revenue derived from
19 the tax to make payments under a contract after the provisions of
20 the contract have been approved by a majority of the district voters
21 voting at an election held for that purpose.

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

25 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

26 Sec. 8314.0501. AUTHORITY TO ISSUE BONDS AND OTHER
27 OBLIGATIONS. The district may issue bonds or other obligations

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

5 Sec. 8314.0502. TAXES FOR BONDS. At the time the district
6 issues bonds payable wholly or partly from ad valorem taxes, the
7 board shall provide for the annual imposition of a continuing
8 direct ad valorem tax, without limit as to rate or amount, while all
9 or part of the bonds are outstanding as required and in the manner
10 provided by Sections 54.601 and 54.602, Water Code.

11 Sec. 8314.0503. BONDS FOR ROAD PROJECTS. At the time of
12 issuance, the total principal amount of bonds or other obligations
13 issued or incurred to finance road projects and payable from ad
14 valorem taxes may not exceed one-fourth of the assessed value of the
15 real property in the district.

16 SECTION 2. The Double M Municipal Utility District of
17 Grayson County initially includes all the territory contained in
18 the following area:

19 TRACT 2 ID 134711 & 271594

20 Situated I the County of Grayson, State of Texas, being part
21 of the Robert Mason Survey, Abstract No. 784, and the William
22 Richard Survey, Abstract No. 998, being all of Blocks Twenty three
23 (23), Twenty Four (24), and part of Block Twenty Five (25) of "The
24 Gunter Farms" as shown by plat of re3cord in Volume 203, Page 272,
25 Deed Records, Grayson County, Texas, being all of a tract of land
26 described as being 117.2 acres in Tract No. 18 (Block 23 of The
27 Gunter Farms), all of a tract of land described as being 60 acres in

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1 Tract No. 23 9part of Block 24 of the Gunter Farms), part of a
2 146.00 acre tract of land described in Tract No. 34, all of a tract
3 of land described as 77.74 acres in Tract No. 35 (part of Block 25
4 of The Gunter Farms) and all of tract of land described as being
5 66.68 acres in Tract No. 36 (part of Block 24 of The Gunter Farms)
6 in deed from the Nelson Bunker Hunt Trust Estate to Land Owners
7 General Partner, Inc., dated September 30, 1988, recorded in Volume
8 2004, Page 268, Real Property Records, Grayson County, Texas, and
9 being more particularly described by metes and bounds as follows
10 to-wit:

11 BEGINNING at a set spike nail and flasher in the center of a
12 North/South public road Scharff Road, and on the West line of said
13 Mason Survey, said nail maintaining the northwest corner of both
14 said 117.2 acre tract, and Block 23 of The Gunter Farms;

15 THENCE North 89 deg. 49 min. 31 sec. East, with the North line
16 of said Block 23, passing a fence corner post on the East side of
17 said road, and continuing with the general course of a fence, at
18 approximately 1000ft, passing the end of said fence and continuing
19 for a total distance of 1946.920 feet to a set 1 inch steel rod for
20 the Northeast corner of both said 117.2 acre tract and Block 23;

21 THENCE South 00 deg. 14 min. 41 sec. East, with the East line
22 of Block 23, at a distance, at a distance of 37.0 ft. passing a fence
23 corner post, and continuing with the general course of a fence for a
24 total distance of 1650.73 feet to an angle point in said fence;

25 THENCE South 00 deg. 24 min, 09 sec. West, continuing with the
26 East line of Block 23, the general course of said fence, at a
27 distance of 944 ft. passing a fence corner post at a turn to the

1 Southwest in said fence, and continuing for a total distance of
2 1050.85 feet to a set spike nail and flasher in the center of an
3 East/West public road known as Stiff Chapel Road, and on the North
4 line of both said 66.68 acre tract and Block 24 of the Gunter Farms,
5 said nail maintaining the Southeast corner of both said 117.2 acre
6 tract and Block 23;

7 THENCE North 89 deg. 19 min. 42 sec. East, with the North line
8 of said 66.68 acre tract and Block 24 of of the Gunter Farms,
9 passing their Northeast corner, the Northwest corner of both said
10 77.74 acre tract and Block 25 of the Gunter Farms, and continuing
11 for a total distance of 1999.78 feet to a set spike nail and flasher
12 for the Northeast corner of both said 77.74 acre tract and Block 25;

13 THENCE South 02 deg. 14 min. 09 sec. East, with the general
14 course of a fence maintaining the East line of both said 77.74 acre
15 tract and Block 5, a distance of 1586.76 feet to a point in a pond;

16 Thence South 00 deg. 59 min. 34 sec. West, continuing with the
17 general course of said fence, the East line of both said 77.74 acre
18 tract and Block 25, a distance of 719.96 feet to a fence corner post
19 in concrete maintaining the Southeast corner of said 77.74 acre
20 tract, the Northeast corner of a 25 2/3 acre Less & EXPECTED in said
21 Tract No.35;

22 THENCE South 88 deg. 52 min. 42 sec. West, with the general
23 course of a fence maintaining the South line of said 77.74 acre
24 tract, passing an all corner of Block 25, and continuing with a
25 South line of Block 25, passing its most Westerly Southwest corner,
26 the Southeast of both said 66.68 acre tract and Block 24 of Gunter
27 Farms, and Continuing for a total distance of 2372.36 feet to an

1 angle point in said fence.

2 THENCE South 86 deg. 54 min. 19 sec. West, Continuing with the
3 general course of said fence, the South line of both said 66.68 acre
4 tract and Block 24, passing their Southwest corner of the West line
5 of said Mason Survey, the East line of said Richards Survey, the most
6 Easterly Southeast corner of said 145.00 acre tract, and continuing
7 for a total distance of 2370.47 feet to a 4 inch dia. Pipe fence
8 corner post in concrete on a West line of said 146.00 acre tract;

9 THENCE North 02 deg. 35 min. 21 sec. West, with the general
10 course of a fence maintaining a West line of said 146.00 acre tract,
11 passing a fence corner post on the South side of the above mentioned
12 Stiff Chapel Road, and continuing for a total distance of 2354.25
13 feet to a set spike nail and flasher in the center of said road, said
14 nail maintaining the most Northerly Northwest corner of said 146.00
15 acre tract;

16 THENCE North 86 deg. 27 min. 26 sec. East, with the center of
17 said road, the North line of said 146.00 acre tract, a distance of
18 971.12 feet to a set spike nail and flasher at the intersection of
19 the center of said road with the center of the above mentioned
20 Scharff Road on the East line of said Richards Survey, the West line
21 of the said Mason Survey, said nail maintaining the Northwest
22 corner of Block 24, the Southwest corner of Block 23 of the Gunter
23 Farms;

24 THENCE North 01 deg. 30 min. 00 sec. West, with the enter of
25 said Scharff Road, the West line of said Mason Survey, the West line
26 of said Block 23, a distance of 2742.74 feet to the place beginning
27 and containing 374.17 acre of land, more or less.

1 TRACT 3 ID 134810

2 All that certain tract or parcel of land situated in the
3 William Richards Survey, Abstract Number 998, County of Grayson,
4 State of Texas; said tract being all of a called 160 acre tract as
5 described in Tract 21, and all of a called acre tract as described
6 in Tract 22 in Substitute Trustee's Deed to John Hancock Mutual Life
7 Insurance Co., dated 07 July 192, and Recorded I Volume 2220 Page
8 297 of the Deed Records of the County of Grayson, State of Texas,
9 and being more fully described as follows:

10 BEGINNING for the southwest corner of the tract being
11 described herein at a found 1/2 inch steel square tubing, said
12 tubing being the southwest corner of said Tract 22, the southeast
13 corner of tract 15, and the northeast corner of a called 76.73 acre
14 tract as shown by Deed to Erwin Jaresh, dated 06 November 1963, and
15 Recorded in Volume 992 Page 516 of said Deed Records, said tubing
16 also being in the center⁴ line of Stiff Chapel Road (a gravel
17 surfaced public road, and the center line of Jaresh Road (a gravel
18 surfaced public road):

19 THENCE North 01 degrees 04 minute 00 seconds West, with the
20 west line of said Tract 22, and with the east line of said tract 15,
21 a distance of 2663.33 feet to a found 1/2 inch Rebar for northwest
22 corner of said Tract 22, the northeast corner of tract 15, and the
23 southwest corner of tract 20 of said John Hancock Deed;

24 THENCE North 88 degrees 48 minutes 47 seconds East, with the
25 North line of said Tract 21 and 22, and the south line of said tract
26 20, a distance of 3725.83 feet to as set 1/2 inch square tubing for
27 the northeast corner of said Tract 21, and the southeast corner of

1 said tract 29, and Scharff Road.

2 THENCE South 01 degrees 16 minutes 42 seconds East, with the
3 east line of said Tract 21, and in said Scharff Road, a distance of
4 2643.27 feet to a found 1/2 inch steel square tubing for the
5 southeast corner of said Tract 21;

6 THENCE South 87 degrees 39 minutes 40 seconds West, with the
7 South line said Tract 21, and in said Stiff Chapel Road, a distance
8 of 970.94 feet to a found 1/2 inch steel square tubing for a corner;

9 THENCE South 87 degrees 58 minutes 20 seconds West, with the
10 South line of said Tract 21 and 22, a distance of 2135.72 feet to a
11 found Spike Nail for a corner.

12 THENCE South 89 degrees 47 minutes 50 seconds West, with the
13 south line of said Tract 22, and in said road a distance of 629.46
14 feet to the POINT OF BEGINNING and containing 227.268 acres of land

15 TRACT 5 ID 134710

16 All that certain tract or parcel of land situated in the
17 Robert Mason Survey, Abstract Number 784, County of Grayson, State
18 of Texas; said tract being all of a called 153.7 acre tract as
19 described in Tract 24, and all of a called 25.66 acre tract as
20 described in Tract 25 in the Substitute Trustee's Deed to John
21 Hancock Mutual Life Insurance Co., dated 07 July 1992, and Recorded
22 in Volume 2220 Page 297 of the Deed Records of County of Grayson,
23 State of Texas, and being more fully described as follows:

24 BEGINNING for the southwest corner of the tract being
25 described herein at a found 1/2 inch rebar by a wood fence corner
26 post, said rebar being the southwest corner of said Tract 25, and the
27 northwest corner of a called 112.268 acre tract as shown by Deed to

1 The Calla Lillie Dickie Family Trust, dated September 1990, and
2 Recorded in Volume 2116 Page 696 of said Deed Records;

3 THENCE North 02 degrees 33 minutes 15 seconds West, with the
4 west line of said Tract 25, a distance of 960.89 feet to a Cross-Tie
5 fence corner post on the south line of a Tract 35 of said John
6 Hancock Deed;

7 THENCE North 89 degrees 55 minutes 32 seconds East, with the
8 north line of said Tract 25, and with the south line of said Tract
9 35, a distance of 1185.26 feet to a set 1/2 inch rebar for the
10 northeast corner of said Tract 25, and the southeast corner of said
11 Tract 35, and on the west line of said Tract 24;

12 THENCE North 02 degrees 14 minutes 17 seconds East, with the
13 west line of said Tract 24, and the east line of said Tract 35, a
14 distance of 279.28 feet to a wood fence corner post for a corner;

15 THENCE North 00 degrees 16 minutes 13 seconds East, with the
16 west line of said Tract 24, and the east line of said Tract 35, a
17 distance of 428.41 feet to a metal T-Post fence corner post for a
18 corner.

19 THENCE North 00 degrees 31 minutes 40 seconds West, with the
20 west line of said Tract 24, and the east line of said Tract 35, a
21 distance of 1598.67 feet to a found Spike Nail for the northwest
22 corner of said Tract 24, and the northeast corner of said Tract 35,
23 said Spike Nail being in the center line of Stiff Chapel Road 9an
24 asphalt surfaced public road);

25 THENCE South 89 degrees 30 minutes 51 seconds East with the
26 north line of said Tract 24, and with said road, a distance of
27 2041.00 feet to a found 1/2 inch rebar for the northeast corner of

1 said Tract 24;

2 THENCE South 00 degrees 16 minutes 08 seconds East, with the
3 east line of said Tract 24, and with Old Skaggs Road (a gavel
4 surfaced public road, a distance of 3261.34 feet to a found 1/2
5 inch rebar for the southeast corner of said Tract 24, and the
6 northeast corner of said Dickie Family Trust Tract:

7 THENCE North 89 degrees 48 minutes 05 seconds West, with the
8 south line of said Tracts 24 and 25, and with the North line of said
9 Dickie Family Trust tract, a distance of 3196.90 feet to the POINT
10 OF BEGINNING and containing 178.842 acres of land.

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

18 (b) The governor, one of the required recipients, has
19 submitted the notice and Act to the Texas Commission on
20 Environmental Quality.

21 (c) The Texas Commission on Environmental Quality has filed
22 its recommendations relating to this Act with the governor, the
23 lieutenant governor, and the speaker of the house of
24 representatives within the required time.

25 (d) All requirements of the constitution and laws of this
26 state and the rules and procedures of the legislature with respect
27 to the notice, introduction, and passage of this Act are fulfilled

1 and accomplished.

2 SECTION 4. (a) If this Act does not receive a two-thirds
3 vote of all the members elected to each house, Subchapter C, Chapter
4 8314, Special District Local Laws Code, as added by Section 1 of
5 this Act, is amended by adding Section 8314.0307 to read as follows:

6 Sec. 8314.0307. NO EMINENT DOMAIN POWER. The district may
7 not exercise the power of eminent domain.

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

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