

1-1 By: Sanford (Senate Sponsor - Springer) H.B. No. 4589  
 1-2 (In the Senate - Received from the House May 17, 2021;  
 1-3 May 17, 2021, read first time and referred to Committee on Local  
 1-4 Government; May 21, 2021, reported favorably by the following  
 1-5 vote: Yeas 7, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Bettencourt	X			
1-8 Menéndez	X			
1-9 Eckhardt	X			
1-10 Gutierrez			X	
1-11 Hall	X			
1-12 Nichols	X			
1-13 Paxton	X			
1-14 Springer	X			
1-15 Zaffirini			X	

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to the creation of the LC Municipal Utility District No. 1  
 1-20 of Collin County; granting a limited power of eminent domain;  
 1-21 providing authority to issue bonds; providing authority to impose  
 1-22 fees and taxes.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
 1-25 Code, is amended by adding Chapter 7908A to read as follows:

1-26 CHAPTER 7908A. LC MUNICIPAL UTILITY DISTRICT NO. 1 OF COLLIN COUNTY  
 1-27 SUBCHAPTER A. GENERAL PROVISIONS

1-28 Sec. 7908A.0101. DEFINITIONS. In this chapter:

1-29 (1) "Board" means the district's board of directors.

1-30 (2) "Commission" means the Texas Commission on  
 1-31 Environmental Quality.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the LC Municipal Utility District  
 1-34 No. 1 of Collin County.

1-35 Sec. 7908A.0102. NATURE OF DISTRICT. The district is a  
 1-36 municipal utility district created under Section 59, Article XVI,  
 1-37 Texas Constitution.

1-38 Sec. 7908A.0103. CONFIRMATION AND DIRECTOR ELECTION  
 1-39 REQUIRED. The temporary directors shall hold an election to  
 1-40 confirm the creation of the district and to elect five permanent  
 1-41 directors as provided by Section 49.102, Water Code.

1-42 Sec. 7908A.0104. CONDITIONS PRECEDENT TO CONFIRMATION  
 1-43 ELECTION. (a) The temporary directors may not hold an election  
 1-44 under Section 7908A.0103 until:

1-45 (1) each municipality in whose corporate limits or  
 1-46 extraterritorial jurisdiction the district is located has  
 1-47 consented by ordinance or resolution to the creation of the  
 1-48 district and to the inclusion of land in the district; and

1-49 (2) the district has entered into a contract with a  
 1-50 municipality, Collin County, or another entity:

1-51 (A) for adequate supplemental police, fire,  
 1-52 emergency, and animal control services for the district; and

1-53 (B) that is approved by the Commissioners Court  
 1-54 of Collin County under Subsection (c).

1-55 (b) A contract under Subsection (a) may include a provision  
 1-56 that the contract takes effect only on the approval of the  
 1-57 Commissioners Court of Collin County and the voters in the district  
 1-58 voting in an election held for that purpose.

1-59 (c) The Commissioners Court of Collin County shall review a  
 1-60 contract under Subsection (a) and evaluate the supplemental police,  
 1-61 fire, emergency, and animal control services provided in the

2-1 contract. If the commissioners court determines that the contract  
 2-2 provides adequate services, the commissioners court shall adopt a  
 2-3 resolution stating that the contract has met the requirements of  
 2-4 Subsection (a).

2-5 Sec. 7908A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

2-6 (a) The district is created to serve a public purpose and benefit.

2-7 (b) The district is created to accomplish the purposes of:

2-8 (1) a municipal utility district as provided by  
 2-9 general law and Section 59, Article XVI, Texas Constitution; and

2-10 (2) Section 52, Article III, Texas Constitution, that  
 2-11 relate to the construction, acquisition, improvement, operation,  
 2-12 or maintenance of macadamized, graveled, or paved roads, or  
 2-13 improvements, including storm drainage, in aid of those roads.

2-14 Sec. 7908A.0106. INITIAL DISTRICT TERRITORY. (a) The  
 2-15 district is initially composed of the territory described by  
 2-16 Section 2 of the Act enacting this chapter.

2-17 (b) The boundaries and field notes contained in Section 2 of  
 2-18 the Act enacting this chapter form a closure. A mistake made in the  
 2-19 field notes or in copying the field notes in the legislative process  
 2-20 does not affect the district's:

2-21 (1) organization, existence, or validity;

2-22 (2) right to issue any type of bond for the purposes  
 2-23 for which the district is created or to pay the principal of and  
 2-24 interest on a bond;

2-25 (3) right to impose a tax; or

2-26 (4) legality or operation.

2-27 SUBCHAPTER B. BOARD OF DIRECTORS

2-28 Sec. 7908A.0201. GOVERNING BODY; TERMS. (a) The district  
 2-29 is governed by a board of five elected directors.

2-30 (b) Except as provided by Section 7908A.0202, directors  
 2-31 serve staggered four-year terms.

2-32 Sec. 7908A.0202. TEMPORARY DIRECTORS. (a) The temporary  
 2-33 board consists of:

2-34 (1) Shelby Wilson;

2-35 (2) Morris Layton;

2-36 (3) Roxane Lanclos;

2-37 (4) Tim Hunt; and

2-38 (5) Doug Hurst.

2-39 (b) Temporary directors serve until the earlier of:

2-40 (1) the date permanent directors are elected under  
 2-41 Section 7908A.0103; or

2-42 (2) the fourth anniversary of the effective date of  
 2-43 the Act enacting this chapter.

2-44 (c) If permanent directors have not been elected under  
 2-45 Section 7908A.0103 and the terms of the temporary directors have  
 2-46 expired, successor temporary directors shall be appointed or  
 2-47 reappointed as provided by Subsection (d) to serve terms that  
 2-48 expire on the earlier of:

2-49 (1) the date permanent directors are elected under  
 2-50 Section 7908A.0103; or

2-51 (2) the fourth anniversary of the date of the  
 2-52 appointment or reappointment.

2-53 (d) If Subsection (c) applies, the owner or owners of a  
 2-54 majority of the assessed value of the real property in the district  
 2-55 may submit a petition to the commission requesting that the  
 2-56 commission appoint as successor temporary directors the five  
 2-57 persons named in the petition. The commission shall appoint as  
 2-58 successor temporary directors the five persons named in the  
 2-59 petition.

2-60 SUBCHAPTER C. POWERS AND DUTIES

2-61 Sec. 7908A.0301. GENERAL POWERS AND DUTIES. The district  
 2-62 has the powers and duties necessary to accomplish the purposes for  
 2-63 which the district is created.

2-64 Sec. 7908A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND  
 2-65 DUTIES. The district has the powers and duties provided by the  
 2-66 general law of this state, including Chapters 49 and 54, Water Code,  
 2-67 applicable to municipal utility districts created under Section 59,  
 2-68 Article XVI, Texas Constitution.

2-69 Sec. 7908A.0303. AUTHORITY FOR ROAD PROJECTS. Under

3-1 Section 52, Article III, Texas Constitution, the district may  
 3-2 design, acquire, construct, finance, issue bonds for, improve,  
 3-3 operate, maintain, and convey to this state, a county, or a  
 3-4 municipality for operation and maintenance macadamized, graveled,  
 3-5 or paved roads, or improvements, including storm drainage, in aid  
 3-6 of those roads.

3-7 Sec. 7908A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A  
 3-8 road project must meet all applicable construction standards,  
 3-9 zoning and subdivision requirements, and regulations of each  
 3-10 municipality in whose corporate limits or extraterritorial  
 3-11 jurisdiction the road project is located.

3-12 (b) If a road project is not located in the corporate limits  
 3-13 or extraterritorial jurisdiction of a municipality, the road  
 3-14 project must meet all applicable construction standards,  
 3-15 subdivision requirements, and regulations of each county in which  
 3-16 the road project is located.

3-17 (c) If the state will maintain and operate the road, the  
 3-18 Texas Transportation Commission must approve the plans and  
 3-19 specifications of the road project.

3-20 Sec. 7908A.0305. COMPLIANCE WITH MUNICIPAL CONSENT  
 3-21 ORDINANCE OR RESOLUTION. The district shall comply with all  
 3-22 applicable requirements of any ordinance or resolution that is  
 3-23 adopted under Section 54.016 or 54.0165, Water Code, and that  
 3-24 consents to the creation of the district or to the inclusion of land  
 3-25 in the district.

3-26 Sec. 7908A.0306. DIVISION OF DISTRICT. (a) The district  
 3-27 may be divided into two or more new districts only if the district:

3-28 (1) has no outstanding bonded debt; and

3-29 (2) is not imposing ad valorem taxes.

3-30 (b) This chapter applies to any new district created by  
 3-31 division of the district, and a new district has all the powers and  
 3-32 duties of the district.

3-33 (c) A new district created by the division of the district  
 3-34 may not, at the time the new district is created, contain any land  
 3-35 outside the area described by Section 2 of the Act enacting this  
 3-36 chapter.

3-37 (d) The board, on its own motion or on receipt of a petition  
 3-38 signed by the owner or owners of a majority of the assessed value of  
 3-39 the real property in the district, may adopt an order dividing the  
 3-40 district.

3-41 (e) The board may adopt an order dividing the district  
 3-42 before or after the date the board holds an election under Section  
 3-43 7908A.0103 to confirm the district's creation.

3-44 (f) An order dividing the district shall:

3-45 (1) name each new district;

3-46 (2) include the metes and bounds description of the  
 3-47 territory of each new district;

3-48 (3) appoint temporary directors for each new district;

3-49 and

3-50 (4) provide for the division of assets and liabilities  
 3-51 between the new districts.

3-52 (g) On or before the 30th day after the date of adoption of  
 3-53 an order dividing the district, the district shall file the order  
 3-54 with the commission and record the order in the real property  
 3-55 records of each county in which the district is located.

3-56 (h) A new district created by the division of the district  
 3-57 shall hold a confirmation and directors' election as required by  
 3-58 Section 7908A.0103. If the voters of a new district do not confirm  
 3-59 the creation of the new district, the assets, obligations,  
 3-60 territory, and governance of the new district revert to the  
 3-61 original district.

3-62 (i) If the creation of the new district is confirmed, the  
 3-63 new district shall provide the election date and results to the  
 3-64 commission.

3-65 (j) A new district created by the division of the district  
 3-66 must hold an election as required by this chapter to obtain voter  
 3-67 approval before the district may impose a maintenance tax or issue  
 3-68 bonds payable wholly or partly from ad valorem taxes.

3-69 (k) Municipal consent to the creation of the district and to

4-1 the inclusion of land in the district granted under Section  
 4-2 7908A.0104 acts as municipal consent to the creation of any new  
 4-3 district created by the division of the district and to the  
 4-4 inclusion of land in the new district.

4-5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

4-6 Sec. 7908A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)  
 4-7 The district may issue, without an election, bonds and other  
 4-8 obligations secured by:

4-9 (1) revenue other than ad valorem taxes; or  
 4-10 (2) contract payments described by Section  
 4-11 7908A.0403.

4-12 (b) The district must hold an election in the manner  
 4-13 provided by Chapters 49 and 54, Water Code, to obtain voter approval  
 4-14 before the district may impose an ad valorem tax or issue bonds  
 4-15 payable from ad valorem taxes.

4-16 (c) The district may not issue bonds payable from ad valorem  
 4-17 taxes to finance a road project unless the issuance is approved by a  
 4-18 vote of a two-thirds majority of the district voters voting at an  
 4-19 election held for that purpose.

4-20 Sec. 7908A.0402. OPERATION AND MAINTENANCE TAX. (a) If  
 4-21 authorized at an election held under Section 7908A.0401, the  
 4-22 district may impose an operation and maintenance tax on taxable  
 4-23 property in the district in accordance with Section 49.107, Water  
 4-24 Code.

4-25 (b) The board shall determine the tax rate. The rate may not  
 4-26 exceed the rate approved at the election.

4-27 Sec. 7908A.0403. CONTRACT TAXES. (a) In accordance with  
 4-28 Section 49.108, Water Code, the district may impose a tax other than  
 4-29 an operation and maintenance tax and use the revenue derived from  
 4-30 the tax to make payments under a contract after the provisions of  
 4-31 the contract have been approved by a majority of the district voters  
 4-32 voting at an election held for that purpose.

4-33 (b) A contract approved by the district voters may contain a  
 4-34 provision stating that the contract may be modified or amended by  
 4-35 the board without further voter approval.

4-36 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-37 Sec. 7908A.0501. AUTHORITY TO ISSUE BONDS AND OTHER  
 4-38 OBLIGATIONS. The district may issue bonds or other obligations  
 4-39 payable wholly or partly from ad valorem taxes, impact fees,  
 4-40 revenue, contract payments, grants, or other district money, or any  
 4-41 combination of those sources, to pay for any authorized district  
 4-42 purpose.

4-43 Sec. 7908A.0502. TAXES FOR BONDS. At the time the district  
 4-44 issues bonds payable wholly or partly from ad valorem taxes, the  
 4-45 board shall provide for the annual imposition of a continuing  
 4-46 direct ad valorem tax, without limit as to rate or amount, while all  
 4-47 or part of the bonds are outstanding as required and in the manner  
 4-48 provided by Sections 54.601 and 54.602, Water Code.

4-49 Sec. 7908A.0503. BONDS FOR ROAD PROJECTS. At the time of  
 4-50 issuance, the total principal amount of bonds or other obligations  
 4-51 issued or incurred to finance road projects and payable from ad  
 4-52 valorem taxes may not exceed one-fourth of the assessed value of the  
 4-53 real property in the district.

4-54 SECTION 2. The LC Municipal Utility District No. 1 of Collin  
 4-55 County initially includes all the territory contained in the  
 4-56 following area:

4-57 BEING 109.980-acres located in the E.M. Woods Survey, Abstract  
 4-58 No. 960, Collin County Texas, being all of that called 110.034 acre  
 4-59 parcel described in General Warranty Deed to Kayasa Family, LTD, as  
 4-60 recorded in Instrument No. 201501140004480, Official Public  
 4-61 Records Collin County Texas, (O.P.R.C.C.T.) and being more  
 4-62 particularly described as follows:

4-63 BEGINNING at a Mag Nail found in the center of County Road 400 (CR  
 4-64 400) (a prescriptive roadway) for the northwest corner of said  
 4-65 Kayasa Family parcel, same being northeast corner of Tract 1 as  
 4-66 described in Deed in Lieu of Foreclosure to George W. Bowen recorded  
 4-67 in Instrument No. 20090330000362370, O.P.R.C.C.T.;

4-68 THENCE S 88°38'34" E with the center of said CR 400, a distance of  
 4-69 1,454.42 feet to a found 1/2-inch iron rod for the northeast corner

5-1 of the herein described tract, and the northwest corner of that  
 5-2 parcel described in Warranty Deed to Texas-New Mexico Power Company  
 5-3 recorded in Instrument No. 20070105000026530, O.P.R.C.C.T.;  
 5-4 THENCE leaving said roadway and with the east line of the herein  
 5-5 described tract as follows:

5-6 S 01'20'43" E, a distance of 871.17 feet to a found iron rod  
 5-7 with cap marked "BGT" for the southwest corner of said  
 5-8 Texas-New Mexico tract, the northwest corner of that parcel  
 5-9 described in Special Warranty Deed to Suncrest Princeton  
 5-10 Partners, Inc. recorded in Instrument No. 20180215000185810,  
 5-11 O.P.R.C.C.T.;

5-12 S 02'09'00" W, a distance of 1,053.31 feet to a found 1/2-inch  
 5-13 iron rod with cap marked "JBI" for the southwest corner of  
 5-14 said Suncrest Princeton Partners tract and the northwest  
 5-15 corner of that parcel described in Executrix's Special  
 5-16 Warranty Deed to Testamentary Trust to Dan Dowell Credit  
 5-17 Trust as recorded in Instrument No. 20150105000011710,  
 5-18 O.P.R.C.C.T.;

5-19 S 02'05'02" W, a distance of 1,147.48 feet to a found 3/8-inch  
 5-20 iron rod, for the southeast corner of the herein described  
 5-21 tract;

5-22 THENCE N 88'47'50" W with a northerly line of said Dowell tract, a  
 5-23 distance of 1,747.94 feet to a found 3/8-inch iron rod for the  
 5-24 northwest corner of said Dowell tract on the east line of that  
 5-25 parcel described in Special Warranty Deed to Shultz-Branch, Ltd.  
 5-26 recorded in instrument No. 20121229001661240, O.P.R.C.C.T.;

5-27 THENCE N 01'59'43" E with said east line, 986.49 feet to the  
 5-28 northeast corner of said Shultz-Branch parcel, being on the south  
 5-29 line of Tract 2 as described in Deed in Lieu of Foreclosure to  
 5-30 George W. Brown recorded in Instrument No. 20090330000362370,  
 5-31 O.P.R.C.C.T.;

5-32 THENCE S 89'01'19" E with said south line, a distance of 296.61 feet  
 5-33 to a found 1/2-inch iron rod for the southeast corner of said Tract  
 5-34 2;

5-35 THENCE N 00'38'32" E with the east line of said Tract 2 and the  
 5-36 aforesaid Tract 1, a distance of 2,087.82 feet to the POINT OF  
 5-37 BEGINNING, and containing 109.980 acres, more or less.

5-38 SECTION 3. (a) The legal notice of the intention to  
 5-39 introduce this Act, setting forth the general substance of this  
 5-40 Act, has been published as provided by law, and the notice and a  
 5-41 copy of this Act have been furnished to all persons, agencies,  
 5-42 officials, or entities to which they are required to be furnished  
 5-43 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
 5-44 Government Code.

5-45 (b) The governor, one of the required recipients, has  
 5-46 submitted the notice and Act to the Texas Commission on  
 5-47 Environmental Quality.

5-48 (c) The Texas Commission on Environmental Quality has filed  
 5-49 its recommendations relating to this Act with the governor, the  
 5-50 lieutenant governor, and the speaker of the house of  
 5-51 representatives within the required time.

5-52 (d) All requirements of the constitution and laws of this  
 5-53 state and the rules and procedures of the legislature with respect  
 5-54 to the notice, introduction, and passage of this Act are fulfilled  
 5-55 and accomplished.

5-56 SECTION 4. (a) If this Act does not receive a two-thirds  
 5-57 vote of all the members elected to each house, Subchapter C, Chapter  
 5-58 7908A, Special District Local Laws Code, as added by Section 1 of  
 5-59 this Act, is amended by adding Section 7908A.0307 to read as  
 5-60 follows:

5-61 Sec. 7908A.0307. NO EMINENT DOMAIN POWER. The district may  
 5-62 not exercise the power of eminent domain.

5-63 (b) This section is not intended to be an expression of a  
 5-64 legislative interpretation of the requirements of Section 17(c),  
 5-65 Article I, Texas Constitution.

5-66 SECTION 5. This Act takes effect immediately if it receives  
 5-67 a vote of two-thirds of all the members elected to each house, as  
 5-68 provided by Section 39, Article III, Texas Constitution. If this  
 5-69 Act does not receive the vote necessary for immediate effect, this

6-1 Act takes effect September 1, 2021.

6-2 \* \* \* \* \*