

By: Smith

H.B. No. 4596

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Heritage Ranch Municipal Utility
3 District No. 1 of Grayson County; granting a limited power of
4 eminent domain; providing authority to issue bonds; providing
5 authority to 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 7920A to read as follows:

9 CHAPTER 7920A. HERITAGE RANCH MUNICIPAL UTILITY DISTRICT NO. 1 OF
10 GRAYSON COUNTY

11 SUBCHAPTER A. GENERAL PROVISIONS

12 Sec. 7920A.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 Heritage Ranch Municipal
18 Utility District No. 1 of Grayson County.

19 Sec. 7920A.0102. NATURE OF DISTRICT. The district is a
20 municipal utility district created under Section 59, Article XVI,
21 Texas Constitution.

22 Sec. 7920A.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. 7920A.0104. CONSENT OF MUNICIPALITY REQUIRED. The
3 temporary directors may not hold an election under Section
4 7920A.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. 7920A.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. 7920A.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. 7920A.0201. GOVERNING BODY; TERMS. (a) The district
5 is governed by a board of five elected directors.

6 (b) Except as provided by Section 7920A.0202, directors
7 serve staggered four-year terms.

8 Sec. 7920A.0202. TEMPORARY DIRECTORS. (a) The temporary
9 board consists of:

10 (1) Mike Mayberry;

11 (2) Daniel Worrell;

12 (3) Russell Maine;

13 (4) Chris Colombe; and

14 (5) Rick Ellis.

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

16 (1) the date permanent directors are elected under
17 Section 7920A.0103; or

18 (2) the fourth anniversary of the effective date of
19 the Act enacting this chapter.

20 (c) If permanent directors have not been elected under
21 Section 7920A.0103 and the terms of the temporary directors have
22 expired, successor temporary directors shall be appointed or
23 reappointed as provided by Subsection (d) to serve terms that
24 expire on the earlier of:

25 (1) the date permanent directors are elected under
26 Section 7920A.0103; or

27 (2) the fourth anniversary of the date of the

1 appointment or reappointment.

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

9 SUBCHAPTER C. POWERS AND DUTIES

10 Sec. 7920A.0301. GENERAL POWERS AND DUTIES. The district
11 has the powers and duties necessary to accomplish the purposes for
12 which the district is created.

13 Sec. 7920A.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
14 DUTIES. The district has the powers and duties provided by the
15 general law of this state, including Chapters 49 and 54, Water Code,
16 applicable to municipal utility districts created under Section 59,
17 Article XVI, Texas Constitution.

18 Sec. 7920A.0303. AUTHORITY FOR ROAD PROJECTS. Under
19 Section 52, Article III, Texas Constitution, the district may
20 design, acquire, construct, finance, issue bonds for, improve,
21 operate, maintain, and convey to this state, a county, or a
22 municipality for operation and maintenance macadamized, graveled,
23 or paved roads, or improvements, including storm drainage, in aid
24 of those roads.

25 Sec. 7920A.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
26 road project must meet all applicable construction standards,
27 zoning and subdivision requirements, and regulations of each

1 municipality in whose corporate limits or extraterritorial
2 jurisdiction the road project is located.

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

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

11 Sec. 7920A.0305. COMPLIANCE WITH MUNICIPAL CONSENT
12 ORDINANCE OR RESOLUTION. The district shall comply with all
13 applicable requirements of any ordinance or resolution that is
14 adopted under Section 54.016 or 54.0165, Water Code, and that
15 consents to the creation of the district or to the inclusion of land
16 in the district.

17 Sec. 7920A.0306. DIVISION OF DISTRICT. (a) The district
18 may be divided into two or more new districts only if the district:

- 19 (1) has no outstanding bonded debt; and
20 (2) is not imposing ad valorem taxes.

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

24 (c) A new district created by the division of the district
25 may not, at the time the new district is created, contain any land
26 outside the area described by Section 2 of the Act enacting this
27 chapter.

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

5 (e) The board may adopt an order dividing the district
6 before or after the date the board holds an election under Section
7 7920A.0103 to confirm the district's creation.

8 (f) An order dividing the district shall:

9 (1) name each new district;

10 (2) include the metes and bounds description of the
11 territory of each new district;

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

13 and

14 (4) provide for the division of assets and liabilities
15 between the new districts.

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

20 (h) A new district created by the division of the district
21 shall hold a confirmation and directors' election as required by
22 Section 7920A.0103. If the voters of a new district do not confirm
23 the creation of the new district, the assets, obligations,
24 territory, and governance of the new district revert to the
25 original district.

26 (i) If the creation of the new district is confirmed, the
27 new district shall provide the election date and results to the

1 commission.

2 (j) A 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 (k) Municipal consent to the creation of the district and to
7 the inclusion of land in the district granted under Section
8 7920A.0104 acts as municipal consent to the creation of any new
9 district created by the division of the district and to the
10 inclusion of land in the new district.

11 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

12 Sec. 7920A.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
13 The district may issue, without an election, bonds and other
14 obligations secured by:

15 (1) revenue other than ad valorem taxes; or
16 (2) contract payments described by Section
17 7920A.0403.

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

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

26 Sec. 7920A.0402. OPERATION AND MAINTENANCE TAX. (a) If
27 authorized at an election held under Section 7920A.0401, the

1 district may impose an operation and maintenance tax on taxable
2 property in the district in accordance with Section 49.107, Water
3 Code.

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

6 Sec. 7920A.0403. CONTRACT TAXES. (a) In accordance with
7 Section 49.108, Water Code, the district may impose a tax other than
8 an operation and maintenance tax and use the revenue derived from
9 the tax to make payments under a contract after the provisions of
10 the contract have been approved by a majority of the district voters
11 voting at an election held for that purpose.

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

15 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

16 Sec. 7920A.0501. AUTHORITY TO ISSUE BONDS AND OTHER
17 OBLIGATIONS. The district may issue bonds or other obligations
18 payable wholly or partly from ad valorem taxes, impact fees,
19 revenue, contract payments, grants, or other district money, or any
20 combination of those sources, to pay for any authorized district
21 purpose.

22 Sec. 7920A.0502. TAXES FOR BONDS. At the time the district
23 issues bonds payable wholly or partly from ad valorem taxes, the
24 board shall provide for the annual imposition of a continuing
25 direct ad valorem tax, without limit as to rate or amount, while all
26 or part of the bonds are outstanding as required and in the manner
27 provided by Sections 54.601 and 54.602, Water Code.

1 Sec. 7920A.0503. BONDS FOR ROAD PROJECTS. At the time of
2 issuance, the total principal amount of bonds or other obligations
3 issued or incurred to finance road projects and payable from ad
4 valorem taxes may not exceed one-fourth of the assessed value of the
5 real property in the district.

6 SECTION 2. The Heritage Ranch Municipal Utility District
7 No. 1 of Grayson County initially includes all the territory
8 contained in the following area:

9 FIELD NOTES

10 173.916 Acres

11 SITUATED in the County of Grayson, State of Texas, and being a
12 part of the Uriah Burns Survey, Abstract No. 121, and John Jennings
13 Survey, Abstract No. 647, and being part of the 184.50 acre tract of
14 land conveyed by Warranty Deed with Vendor's Lien from John H.
15 Becker, Jr., Trustee, and Amy H. Fennell, Co-Trustee of the Hugh L.
16 Head, Jr., Revocable Trust, to TPJ Properties, LTD, on February 15,
17 2002, recorded in Volume 3203, Page 464, Official Public Records,
18 Grayson County, Texas, and being more particularly described by
19 metes and bounds as follows, to-wit:

20 BEGINNING at a spike nail found in or near the center of
21 Plainview Road, an Ell corner of said Burns Survey, the Southwest
22 corner of the Alexander and Richards Survey, Abstract No. 42, the
23 Northwest comer of said TPJ 184.50 ac., the East line of Heritage
24 Ranch Land Holdings, LTD 254.489 acre tract of land, recorded in
25 Instrument No. 2020-19193, said Official Public Records, Grayson
26 County, Texas, the Southwest corner of Astoria Homes, LLC 100.832
27 acre tract of land (Tract I), recorded in Instrument

1 No. 2020-30762, said Official Public Records, Grayson County,
2 Texas, the Northwest comer of the herein described tract;

3 THENCE South 88 deg. 00 min. 43 sec. East, with the North
4 lines of both said Burns Survey and TPJ 184.50 ac., the South lines
5 of both said Richards Survey and Astoria 100.832 ac., a distance of
6 1,495.81 ft. to a point at the Northwest comer of BMT Global, LLC
7 37.08 acre tract of land (Tract Two), recorded in Instrument
8 No. 2018-12534, said Official Public Records, Grayson County,
9 Texas, an Ell corner of said Burns Survey, the South line of said
10 Richards Survey, the Northwest corner of said Jennings Survey, the
11 most Northerly Northeast comer of both said TPJ 184.50 ac. and the
12 herein described tract;

13 THENCE South 01 deg. 25 min. 51 sec. West, with East lines of
14 both said Burns Survey and TPJ 184.50 ac., the West line of both
15 said Jennings Survey and BMT 37.08 ac., a distance of 1,687.83 ft.
16 to a 1/2 inch rebar found on the East line of said Burns Survey, the
17 West line of said Jennings Survey, the Southwest corner of Melissa
18 Smith Murray, et al "called" 58.42 acre tract of land, recorded in
19 Volume 4413, Page 186, said Official Public Records, Grayson
20 County, Texas, an Ell comer of both said TPJ 184.50 ac. and the
21 herein described tract;

22 THENCE South 88 deg. 22 min. 24 sec. East, with a North line
23 of said TPJ 184.50 ac., the South line of said Murray 58.42 ac., a
24 distance of 1,909.01 ft. to a 1/2 inch rebar found at the Northwest
25 corner of Legacy Title Holding Corp. 9.71 acre tract of land,
26 recorded in Volume 5581, Page 396, said Official Public Records,
27 Grayson County, Texas, the South line of said Murray 58.42 ac., the

1 most Southerly Northeast corner of both said TPJ 184.50 ac. and the
2 herein described tract;

3 THENCE South 25 deg. 37 min. 12 sec. East, with an East line
4 of said TPJ 184.50 ac., the West line of said Legacy 9.71 ac., a
5 distance of 1,234.96 ft. to a concrete nail found in or near the
6 center of Canyon Grove Road, the South line of said Jennings Survey,
7 the North line of the J. B. McAnair Survey, Abstract No. 763, the
8 Southwest corner of said Legacy 9.71 ac., the Southeast comer of
9 both said TPJ 184.50 ac. and the herein described tract;

10 THENCE South 75 deg. 51 min. 38 sec. West, with or near the
11 center of said Canyon Grove Road, the South line of said Jennings
12 Survey, the North line of said McAnair Survey, a South line of said
13 TPJ 184.50 ac., a distance of 1,284.66 ft. to a point at an Ell comer
14 of said TPJ 184.50 ac. and the herein described tract;

15 THENCE North 03 deg. 51 min. 00 sec. West, continuing with a
16 South line of said TPJ 184.50 ac., a distance of 17.20 ft. to a point
17 at an Ell comer of both said TPJ 184.50 ac. and the herein described
18 tract;

19 THENCE South 75 deg. 46 min. 55 sec. West, continuing with a
20 South line of said TPJ 184.50 ac., a distance of 778.89 ft. to a
21 point at the intersection of the North right-of-way line of U. S.
22 Highway No. 82 and said Canyon Grove Road, an angle point of both
23 said TPJ 184.50 ac., and the herein described tract;

24 THENCE Northwesterly, with a curve to the right having a
25 radius of 5,579.68 ft., a central angle of 04 deg. 45 min. 50 sec.,
26 (Chord Bears: North 86 deg. 01 min. 55 sec. West, 463.80 ft.) an arc
27 distance of 463.93 ft. to a point on the North right-of-way line of

1 said Highway 82, an angle point of both said TPJ 184.50 ac. and the
2 herein described tract;

3 THENCE North 83 deg. 39 min. 00 sec. West, continuing with the
4 North right-of-way line of said Highway 82, a South line of said TPJ
5 184.50 ac., a distance of 892.95 ft. to a point on the North
6 right-of-way line of said Highway 82, a South line of said TPJ
7 184.50 ac., the most Southerly Southwest corner of the herein
8 described tract;

9 THENCE North 01 deg. 03 min. 03 sec. East, over and across
10 said TPJ 184.50 ac., a distance of 798.17 ft. to a point at an Ell
11 corner of the herein described tract;

12 THENCE North 88 deg. 56 mm. 57 sec. West, continuing over and
13 across said TPJ 184.50 ac., a distance of 602.69 ft. to a point in or
14 near the center of said Plainview Road, the West line of said TPJ
15 184.50 ac., the East line of said Heritage 254.489 ac., the most
16 Northerly Southwest corner of the herein described tract;

17 THENCE North 01 deg. 03 min. 03 sec. East, with or near the
18 center of said Plainview Road, the West line of said TPJ 184.50 ac.,
19 the East line of said Heritage 254.489 ac., a distance of 2,455.35
20 ft. to the PLACE OF BEGINNING and containing 173.916 ACRES of land.

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

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

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

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

12 SECTION 4. (a) If this Act does not receive a two-thirds
13 vote of all the members elected to each house, Subchapter C, Chapter
14 7920A, Special District Local Laws Code, as added by Section 1 of
15 this Act, is amended by adding Section 7920A.0307 to read as
16 follows:

17 Sec. 7920A.0307. 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 immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2021.