By:  Shine (Senate Sponsor - Creighton) H.B. No. 5360

(In the Senate - Received from the House May 21, 2023; May 21, 2023, read first time and referred to Committee on Local Government; May 22, 2023, reported favorably by the following vote: Yeas 9, Nays 0; May 22, 2023, sent to printer.)

COMMITTEE VOTE

                 Yea Nay Absent  PNV

Bettencourt       X

Springer          X

Eckhardt          X

Gutierrez         X

Hall              X

Nichols           X

Parker            X

Paxton            X

West              X

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Deer Creek Ranch Municipal Utility District No. 1; 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 7960 to read as follows:

CHAPTER 7960. DEER CREEK RANCH MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7960.0101.  DEFINITIONS. In this chapter:

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

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

(3)  "Director" means a board member.

(4)  "District" means the Deer Creek Ranch Municipal Utility District No. 1.

Sec. 7960.0102.  NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0103.  CONFIRMATION AND DIRECTOR ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7960.0104.  CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 7960.0103 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district as required by applicable law.

Sec. 7960.0105.  FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

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

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

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

Sec. 7960.0106.  INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1)  organization, existence, or validity;

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

(3)  right to impose a tax; or

(4)  legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7960.0201.  GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b)  Except as provided by Section 7960.0202, directors serve staggered four-year terms.

Sec. 7960.0202.  TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b)  Temporary directors serve until the earlier of:

(1)  the date permanent directors are elected under Section 7960.0103; or

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

(c)  If permanent directors have not been elected under Section 7960.0103 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1)  the date permanent directors are elected under Section 7960.0103; or

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

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7960.0301.  GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 7960.0302.  MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 7960.0303.  AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 7960.0304.  ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 7960.0305.  COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.

Sec. 7960.0306.  DIVISION OF DISTRICT. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b)  An order dividing a district may create one or more new districts and may provide for the continuation of the district.

(c)  An order dividing the district shall:

(1)  name any new district;

(2)  include the metes and bounds description of the territory of each of the districts;

(3)  appoint temporary directors for any new district; and

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

(d)  The board may adopt an order dividing the district before or after the date the board holds an election to confirm the district's creation.

(e)  The district may be divided only if the district:

(1)  has never issued any bonds; and

(2)  is not imposing ad valorem taxes.

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

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

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

(i)  A new district created by the division of the district shall hold a confirmation and directors' election.

(j)  If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

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

(l)  The district may continue to rely on confirmation, directors', bond, or tax elections held prior to the division.

(m)  Municipal consent to the creation of the district and to the inclusion of land in the district acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 7960.0401.  ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

(1)  revenue other than ad valorem taxes; or

(2)  contract payments described by Section 7960.0403.

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

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

Sec. 7960.0402.  OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 7960.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 7960.0403.  CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 7960.0501.  AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 7960.0502.  TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 7960.0503.  BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2.  The Deer Creek Ranch Municipal Utility District No. 1 initially includes all the territory contained in the following area:

A 685.400 ACRE TRACT OF LAND SITUATED IN THE THOMAS POLK SURVEY, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 35, ABSTRACT NO. 703, THE HENRY ASKEW SURVEY, ABSTRACT NO. 396, THE SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 1087 AND THE SAMUEL W. DAVIS SURVEY, ABSTRACT NO. 165, LOCATED IN BELL COUNTY, TEXAS AND McCLENNAN COUNTY, TEXAS AND BEING A PORTION OF A CALLED 730.417 ACRE TRACT OF LAND CONVEYED TO VWB TRUST BY INSTRUMENTS RECORDED IN DOCUMENT NO. 20160034747 OF THE OFFICIAL PPUBLIC RECORDS OF BELL COUNTY, TEXAS AND IN DOCUMENT NO. 2016029961 OF THE OFFICIAL PUBLIC RECORDS OF McCLENNAN COUNTY, TEXAS. SAID 685.400 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

BEGINNING at a 1/2" iron rod found on a point being the northeast corner of said 730.417-acre tract of land, for the northeast corner and POINT OF BEGINNING hereof;

THENCE with the east boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1.  S 29°39'16" E for a distance of 23.01 feet to an angle point hereof,

2.  S 29°37'25" E for a distance of 486.87 feet to an angle point hereof, and

3.  S 29°29'03" E for a distance of 493.85 feet to a point being the northeast corner of a called 5.525-acre tract of land conveyed to Larry Pietsch et ux, by instrument recorded in Document No. 2010000488 of the Official Public Records of Falls County, Texas, for an angle point hereof;

THENCE with the north boundary line of said 5.525-acre tract, the following two (2) courses and distances:

1.  S 57°58'39" W for a distance of 542.26 feet to an angle point hereof, and

2.  S 56°02'27" W for a distance of 58.49 feet to a point being the northwest corner of said 5.525-acre tract, for an angle point hereof;

THENCE with west boundary line of said 5.525-acre tract, S 32°56'37" E for a distance of 396.46 feet to a point being the northwest corner of a called 5.075-acre tract of land conveyed to Larry Pietsch et ux, by instrument recorded in Document no. 2010000485 of the Official Public Records of Falls County, Texas, same being the southwest corner of said 5.525-acre tract, for an angle point hereof;

THENCE with the west boundary line of said 5.075-acre tract, S 14°23'05" E for a distance of 363.73 feet to a point being the southwest corner of said 5.075-acre tract for an angle point hereof;

THENCE with the south boundary line of said 5.075-acre tract N 59°41'47" E for a distance of 143.92 feet to a point in the approximate west boundary line of Falls County, Texas, same being the approximate east boundary line of Bell County, Texas, for an angle point hereof;

THENCE departing the south boundary line of said 5.075-acre tract with the approximate west boundary line of Falls County, Texas, same being the approximate east boundary line of Bell County, Texas and through the interior of said 730.417 acre tract, S 32°52'48" E for a distance of 2076.93 feet to a point in the north right-of-way line of County Road 498 (right-of-way width varies), same being the southern boundary line of said 730.417-acre tract for the southeast corner hereof;

THENCE with the north right-of-way line of County Road 498, same being the southern boundary line of said 730.417-acre tract, the following six (6) courses and distances:

1.  S 59°45'11" W for a distance of 307.98 feet to a point

2.  S 56°40'31" W for a distance of 452.77 feet to an angle point hereof,

3.  S 59°50'03" W for a distance of 818.71 feet to an angle point hereof,

4.  S 59°28'26" W for a distance of 725.73 feet to an angle point hereof,

5.  S 59°11'05" W for a distance of 653.72 feet to 1/2" iron rod found on a point, for an angle point hereof, and

6.  S 15°31'38" W for a distance of 522.86 feet to a 1/2" iron rod found on a point being the northeasterly corner of a called 125-acre tract of land conveyed to Jackie Elizabeth Bounds, et al by instrument recorded on Document No. 2020014897 of the Official Public Records of Bell County, Texas, same being a southeasterly corner of said 730.417-acre tract, for a southeasterly corner hereof;

THENCE with the northerly boundary line of said 125-acre tract, same being the southerly boundary line of said 730.417-acre tract, the following four (4) courses and distances:

1.  N 68°17'07" W for a distance of 1982.29 feet to an angle point hereof,

2.  S 20°13'41" W for a distance of 1194.63 feet to a 1/2" iron rod found on an angle point hereof,

3.  N 70°00'40" W for a distance of 1040.46 feet to a 1/2" iron rod found on an angle point hereof, and

4.  S 20°16'01" W for a distance of 913.53 feet to a point in the north boundary line of called 50.00-acre tract of land conveyed to Howard Thomas Daye and Glenda Marie Daye, by instrument recorded in Document No. 20085002539 of the Official Public Records of Bell County, Texas, same being the southwesterly corner of said 125-acre tract, for an angle point hereof;

THENCE with, in part, the northerly boundary lines of: said 50.002-acre tract, a called 9.68-acre tract conveyed to Arthur Poston, by instrument recorded in Volume 5990, Page 314 of the Probate Records of Bell County, Texas and a called 64-acre tract of land conveyed to John D. Price and Vi Price, by instrument recorded in Volume 3324, Page 204 of the Deed Records of Bell County, Texas, respectively, same being the southerly boundary line of said 730.417-acre tract, N 69°43'06" W for a distance of 1577.88 feet to a 1/2" iron rod found on a point in the southeasterly boundary line of a called 89.5-acre tract of land conveyed to the H.B. Hillyard, Jr. and Julia I. Hillyard Revocable Living Trust, by instrument recorded in Volume 1845, Page 808 of the Deed Records of McClennan County, Texas, for an angle point hereof;

THENCE with the southeasterly boundary line of said 89.5-acre tract, same being the southerly boundary line of said 730.417-acre tract, N 57°14'15" E for a distance of 1017.80 feet to a 1/2" iron rod found on a point being the northeast corner of said 89.5-acre tract, for an angle point hereof;

THENCE with the northerly boundary line of said 89.5-acre tract, same being the southerly boundary line of said 730.417-acre tract, N 73°22'08" W for a distance of 2682.51 feet to a to a 1/2" iron rod found on a point in the easterly right-of-way of Neal Road (right-of-way width varies), said point being the northwest corner of said 89.5-acre tract, same being the southwesterly corner of said 730.417-acre tract, for the southwesterly corner hereof;

THENCE with the easterly right-of-way line of said Neal Road, same being the westerly boundary line of said 730.417-acre tract, the following two (2) courses and distances:

N 16°44'59" E for a distance of 641.51 feet to an angle point hereof, and

N 16°43'27" E for a distance of 1649.96 feet to a 1/2:" iron rod found on a point in the southerly margin of Franklin Road, said point being the northwest corner of said 730.417-acre tract, for the northwest corner hereof;

THENCE with the southerly margin of said Franklin Road, same being the northwesterly boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1.  N 88°45'56" E for a distance of 1956.89 feet to an angle point hereof,

2.  S 89°44'59" E for a distance of 1153.82 feet to a 1/2" iron rod found on for an angle point hereof, and

3.  N 59°40'59" E for a distance of 1208.65 feet to an angle point hereof;

THENCE departing the southerly margin of Franklin Road, through the interior of said 730.417-acre tract, S 61°17'12" E for a distance of 29.19 feet to a point being the northwesterly corner of a called 10.00-acre tract of land conveyed to Kimberly Worthington, by instrument recorded in Document No. 2021020842 of the Official Public Records of McClennan County, Texas, for an angle point hereof;

THENCE with the westerly, southerly and easterly boundary lines, respectively, of said 10.00-acre tract the following twelve (12) courses and distances:

1.  S 61°17'12" E for a distance of 324.55 feet to an angle point hereof,

2.  N 06°20'39" E for a distance of 80.42 feet to an angle point hereof,

3.  N 57°20'12" E for a distance of 81.81 feet to an angle point hereof,

4.  S 23°32'20" E for a distance of 67.80 feet to an angle point hereof,

5.  S 08°42'13" E for a distance of 181.25 feet to an angle point hereof,

6.  N 39°25'15" E for a distance of 103.44 feet to an angle point hereof,

7.  S 22°37'59" E for a distance of 186.24 feet to an angle point hereof,

8.  N 57°23'30" E for a distance of 88.53 feet to an angle point hereof,

9.  S 29°10'57" E for a distance of 72.30 feet to an angle point hereof,

10.  N 59°40'57" E for a distance of 20.00 feet to an angle point hereof,

11.  N 59°40'57" E for a distance of 489.21 feet to an angle point hereof, and

12.  N 30°19'01" W for a distance of 663.75 feet to a point being the northeasterly corner of said 10.00-acre tract for an angle point hereof;

THENCE departing the boundary line of said 10.00-acre tract, through the interior of said 730.417-acre tract, N 30°19'01" W for a distance of 25.02 feet to a point in the southerly margin of Franklin Road, same being the northwesterly boundary line of said 730.417-acre tract, the following three (3) courses and distances:

1.  N 59°40'59" E for a distance of 701.97 feet to an angle point hereof,

2.  N 60°40'09" E for a distance of 1305.59 feet to an angle point hereof, and

3.  N 60°36'34" E for a distance of 617.98 feet to a point to the POINT OF BEGINNING and containing 685.400 acres in the McClennan County, Texas and Bell County, Texas. Said tract being described in accordance with a survey prepared under Job No. 59012-22 by Pape-Dawson Engineers, Inc.

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

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

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

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

SECTION 4.  (a) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 7960, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7960.0307 to read as follows:

Sec. 7960.0307.  NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

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

SECTION 5.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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