

1-1 By: Smith (Senate Sponsor - Fallon) H.B. No. 4645
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 20, 2019, reported favorably by
 1-5 the following vote: Yeas 7, Nays 0; May 20, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the Grayson County Municipal Utility
 1-18 District No. 3; granting a limited power of eminent domain;
 1-19 providing authority to issue bonds; providing authority to impose
 1-20 assessments, fees, and taxes.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-22 SECTION 1. Subtitle F, Title 6, Special District Local Laws
 1-23 Code, is amended by adding Chapter 8009 to read as follows:

1-24 CHAPTER 8009. GRAYSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 3
 1-25 SUBCHAPTER A. GENERAL PROVISIONS

1-26 Sec. 8009.0101. DEFINITIONS. In this chapter:

1-27 (1) "Board" means the district's board of directors.
 1-28 (2) "City" means the city of Gunter, Texas.
 1-29 (3) "Commission" means the Texas Commission on
 1-30 Environmental Quality.

1-31 (4) "Director" means a board member.
 1-32 (5) "District" means the Grayson County Municipal
 1-33 Utility District No. 3.

1-34 Sec. 8009.0102. NATURE OF DISTRICT. The district is a
 1-35 municipal utility district created under Section 59, Article XVI,
 1-36 Texas Constitution.

1-37 Sec. 8009.0103. CONFIRMATION AND DIRECTOR ELECTION
 1-38 REQUIRED. The temporary directors shall hold an election to
 1-39 confirm the creation of the district and to elect five permanent
 1-40 directors as provided by Section 49.102, Water Code.

1-41 Sec. 8009.0104. CONSENT OF MUNICIPALITY REQUIRED. The
 1-42 temporary directors may not hold an election under Section
 1-43 8009.0103 until each municipality in whose corporate limits or
 1-44 extraterritorial jurisdiction the district is located has
 1-45 consented by ordinance or resolution to the creation of the
 1-46 district and to the inclusion of land in the district.

1-47 Sec. 8009.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
 1-48 (a) The district is created to serve a public purpose and benefit.

1-49 (b) The district is created to accomplish the purposes of:
 1-50 (1) a municipal utility district as provided by
 1-51 general law and Section 59, Article XVI, Texas Constitution; and
 1-52 (2) Section 52, Article III, Texas Constitution, that
 1-53 relate to the construction, acquisition, improvement, operation,
 1-54 or maintenance of macadamized, graveled, or paved roads, or
 1-55 improvements, including storm drainage, in aid of those roads.

1-56 Sec. 8009.0106. INITIAL DISTRICT TERRITORY. (a) The
 1-57 district is initially composed of the territory described by
 1-58 Section 2 of the Act enacting this chapter.

1-59 (b) The boundaries and field notes contained in Section 2 of
 1-60 the Act enacting this chapter form a closure. A mistake made in the
 1-61 field notes or in copying the field notes in the legislative process

2-1 does not affect the district's:

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

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

2-6 (3) right to impose a tax; or

2-7 (4) legality or operation.

2-8 SUBCHAPTER B. BOARD OF DIRECTORS

2-9 Sec. 8009.0201. GOVERNING BODY; TERMS. (a) The district is
 2-10 governed by a board of five elected directors.

2-11 (b) Except as provided by Section 8009.0202, directors
 2-12 serve staggered four-year terms.

2-13 Sec. 8009.0202. TEMPORARY DIRECTORS. (a) On or after
 2-14 September 1, 2019, the owner or owners of a majority of the assessed
 2-15 value of the real property in the district may submit a petition to
 2-16 the commission requesting that the commission appoint as temporary
 2-17 directors the five persons named in the petition. The commission
 2-18 shall appoint as temporary directors the five persons named in the
 2-19 petition.

2-20 (b) Temporary directors serve until the earlier of:

2-21 (1) the date permanent directors are elected under
 2-22 Section 8009.0103; or

2-23 (2) September 1, 2023.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 8009.0103 and the terms of the temporary directors have
 2-26 expired, successor temporary directors shall be appointed or
 2-27 reappointed as provided by Subsection (d) to serve terms that
 2-28 expire on the earlier of:

2-29 (1) the date permanent directors are elected under
 2-30 Section 8009.0103; or

2-31 (2) the fourth anniversary of the date of the
 2-32 appointment or reappointment.

2-33 (d) If Subsection (c) applies, the owner or owners of a
 2-34 majority of the assessed value of the real property in the district
 2-35 may submit a petition to the commission requesting that the
 2-36 commission appoint as successor temporary directors the five
 2-37 persons named in the petition. The commission shall appoint as
 2-38 successor temporary directors the five persons named in the
 2-39 petition.

2-40 SUBCHAPTER C. POWERS AND DUTIES

2-41 Sec. 8009.0301. GENERAL POWERS AND DUTIES. The district
 2-42 has the powers and duties necessary to accomplish the purposes for
 2-43 which the district is created.

2-44 Sec. 8009.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-45 DUTIES. (a) The district has the powers and duties provided by the
 2-46 general law of this state, including Chapters 49 and 54, Water Code,
 2-47 applicable to municipal utility districts created under Section 59,
 2-48 Article XVI, Texas Constitution.

2-49 (b) Notwithstanding Subsection (a), the district may not
 2-50 act as a retail provider of water or wastewater service.

2-51 (c) The district shall make the district's water and
 2-52 wastewater facilities available to an entity holding the applicable
 2-53 certificate of public convenience and necessity.

2-54 Sec. 8009.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-55 52, Article III, Texas Constitution, the district may design,
 2-56 acquire, construct, finance, issue bonds for, improve, operate,
 2-57 maintain, and convey to this state, a county, or a municipality for
 2-58 operation and maintenance macadamized, graveled, or paved roads, or
 2-59 improvements, including storm drainage, in aid of those roads.

2-60 Sec. 8009.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-61 road project must meet all applicable construction standards,
 2-62 zoning and subdivision requirements, and regulations of each
 2-63 municipality in whose corporate limits or extraterritorial
 2-64 jurisdiction the road project is located.

2-65 (b) If a road project is not located in the corporate limits
 2-66 or extraterritorial jurisdiction of a municipality, the road
 2-67 project must meet all applicable construction standards,
 2-68 subdivision requirements, and regulations of each county in which
 2-69 the road project is located.

3-1 (c) If the state will maintain and operate the road, the
 3-2 Texas Transportation Commission must approve the plans and
 3-3 specifications of the road project.

3-4 Sec. 8009.0305. MAINTENANCE OF ROADS IN TERRITORY OUTSIDE
 3-5 CORPORATE LIMITS OF CITY. If district territory, or a portion of
 3-6 district territory, is located outside the corporate limits of the
 3-7 city, the district shall maintain any road the district constructs
 3-8 located in that territory.

3-9 Sec. 8009.0306. COMPLIANCE WITH MUNICIPAL CONSENT
 3-10 ORDINANCE OR RESOLUTION. The district shall comply with all
 3-11 applicable requirements of any ordinance or resolution that is
 3-12 adopted under Section 54.016 or 54.0165, Water Code, and that
 3-13 consents to the creation of the district or to the inclusion of land
 3-14 in the district.

3-15 Sec. 8009.0307. DIVISION OF DISTRICT. (a) The district may
 3-16 be divided into two or more new districts only if the district:

3-17 (1) has no outstanding bonded debt; and

3-18 (2) is not imposing ad valorem taxes.

3-19 (b) This chapter applies to any new district created by the
 3-20 division of the district, and a new district has all the powers and
 3-21 duties of the district.

3-22 (c) Any new district created by the division of the district
 3-23 may not, at the time the new district is created, contain any land
 3-24 outside the area described by Section 2 of the Act enacting this
 3-25 chapter.

3-26 (d) The board, on its own motion or on receipt of a petition
 3-27 signed by the owner or owners of a majority of the assessed value of
 3-28 the real property in the district, may adopt an order dividing the
 3-29 district.

3-30 (e) The board may adopt an order dividing the district
 3-31 before or after the date the board holds an election under Section
 3-32 8009.0103 to confirm the district's creation.

3-33 (f) An order dividing the district shall:

3-34 (1) name each new district;

3-35 (2) include the metes and bounds description of the
 3-36 territory of each new district;

3-37 (3) appoint temporary directors for each new district;

3-38 and

3-39 (4) provide for the division of assets and liabilities
 3-40 between or among the new districts.

3-41 (g) On or before the 30th day after the date of adoption of
 3-42 an order dividing the district, the district shall file the order
 3-43 with the commission and record the order in the real property
 3-44 records of each county in which the district is located.

3-45 (h) Any new district created by the division of the district
 3-46 shall hold a confirmation and directors' election as required by
 3-47 Section 8009.0103. If the voters of a new district do not confirm
 3-48 the creation of the new district, the assets, obligations,
 3-49 territory, and governance of the new district revert to the
 3-50 original district.

3-51 (i) Municipal consent to the creation of the district and to
 3-52 the inclusion of land in the district granted under Section
 3-53 8009.0104 acts as municipal consent to the creation of any new
 3-54 district created by the division of the district and to the
 3-55 inclusion of land in the new district.

3-56 (j) Any new district created by the division of the district
 3-57 must hold an election as required by this chapter to obtain voter
 3-58 approval before the district may impose a maintenance tax or issue
 3-59 bonds payable wholly or partly from ad valorem taxes.

3-60 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

3-61 Sec. 8009.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
 3-62 The district may issue, without an election, bonds and other
 3-63 obligations secured by:

3-64 (1) revenue other than ad valorem taxes; or

3-65 (2) contract payments described by Section 8009.0403.

3-66 (b) The district must hold an election in the manner
 3-67 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-68 before the district may impose an ad valorem tax or issue bonds
 3-69 payable from ad valorem taxes.

4-1 (c) The district may not issue bonds payable from ad valorem
4-2 taxes to finance a road project unless the issuance is approved by a
4-3 vote of a two-thirds majority of the district voters voting at an
4-4 election held for that purpose.

4-5 Sec. 8009.0402. OPERATION AND MAINTENANCE TAX. (a) If
4-6 authorized at an election held under Section 8009.0401, the
4-7 district may impose an operation and maintenance tax on taxable
4-8 property in the district in accordance with Section 49.107, Water
4-9 Code.

4-10 (b) The board shall determine the tax rate. The rate may not
4-11 exceed the rate approved at the election.

4-12 Sec. 8009.0403. CONTRACT TAXES. (a) In accordance with
4-13 Section 49.108, Water Code, the district may impose a tax other than
4-14 an operation and maintenance tax and use the revenue derived from
4-15 the tax to make payments under a contract after the provisions of
4-16 the contract have been approved by a majority of the district voters
4-17 voting at an election held for that purpose.

4-18 (b) A contract approved by the district voters may contain a
4-19 provision stating that the contract may be modified or amended by
4-20 the board without further voter approval.

4-21 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-22 Sec. 8009.0501. AUTHORITY TO ISSUE BONDS AND OTHER
4-23 OBLIGATIONS. The district may issue bonds or other obligations
4-24 payable wholly or partly from ad valorem taxes, impact fees,
4-25 revenue, contract payments, grants, or other district money, or any
4-26 combination of those sources, to pay for any authorized district
4-27 purpose.

4-28 Sec. 8009.0502. TAXES FOR BONDS. At the time the district
4-29 issues bonds payable wholly or partly from ad valorem taxes, the
4-30 board shall provide for the annual imposition of a continuing
4-31 direct ad valorem tax, without limit as to rate or amount, while all
4-32 or part of the bonds are outstanding as required and in the manner
4-33 provided by Sections 54.601 and 54.602, Water Code.

4-34 Sec. 8009.0503. BONDS FOR ROAD PROJECTS. At the time of
4-35 issuance, the total principal amount of bonds or other obligations
4-36 issued or incurred to finance road projects and payable from ad
4-37 valorem taxes may not exceed one-fourth of the assessed value of the
4-38 real property in the district.

4-39 SECTION 2. The Grayson County Municipal Utility District
4-40 No. 3 initially includes all the territory contained in the
4-41 following area:

4-42 All that certain tract or parcel of land situated in the Sarah Cross
4-43 Survey, Abstract Number 210, County of Grayson, State of Texas,
4-44 said tract being all of a called 578.517 acre tract as described in
4-45 Deed to Evans Family Partnership LTD, filed 23 March 2005, and
4-46 Recorded in Volume 3835 Page 465 of the Deed Records of the County
4-47 of Grayson, State of Texas, and being more fully described as
4-48 follows:

4-49 Beginning for the southwest corner of the tract being described
4-50 herein at a Wood Cross-Tie fence corner Post, said post being the
4-51 southwest corner of said Evans tract, and the southeast corner of a
4-52 tract as described in Deed to William H. Ledbetter, filed 11
4-53 December 1978, and Recorded in Volume 1456 Page 570 of said Deed
4-54 Records, and on the north Right-of-Way line of Farm-to-Market Road
4-55 Number 121 as described in deed to The State of Texas, filed 20
4-56 January 1951, and Recorded in Volume 638 Page 284 of said Deed
4-57 Records;

4-58 Thence: North 02 degrees 27 minutes 06 seconds East, with the west
4-59 line of said Evans tract, and the east line of said Ledbetter tract,
4-60 and passing at 1659.63 feet a Wood Cross-Tie fence corner post being
4-61 the northeast corner of said Ledbetter tract and the southwest
4-62 corner of a tract as described in deed to Donald Ray Martinek,
4-63 Trustee, and passing at 3757.23 feet a Wood Cross-Tie fence corner
4-64 post on the south side of Airport Road, and continuing on said
4-65 course for a total distance of 3784. 73 feet (3778.50) to a set
4-66 survey mark Nail in the center line of said Airport Road;

4-67 Thence: South 87 degrees 34 minutes 18 seconds East, with the north
4-68 line of said Evans tract, and in Airport Road, a distance of 6705.82
4-69 feet (6690.80) to a set survey mark nail for the northeast corner of

5-1 said Evan tract and at the intersection of said Airport Road and
5-2 Bodovsky Road, said nail also being on the east line of the Sarah
5-3 Cross Survey, and the west line of the Stephen Prather Survey,
5-4 Abstract Number 931;
5-5 Thence: South 02 degrees 20 minutes 52 seconds West, with the east
5-6 line of said Evans tract, and in Bodovsky Road, a distance of 799.69
5-7 feet to a found PK Nail for the southwest corner of said Prather
5-8 Survey and the northwest corner of the Benjamin S. Nounnan Survey
5-9 Abstract Number 903, and at a intersection of said Airport Road and
5-10 Bodovsky Road;
5-11 Thence: South 02 degrees 29 minutes 56 seconds West, with the east
5-12 line of said Evans tract, and in Bodovsky Road, a distance of
5-13 2981.56 feet to a found 3/4 inch Steel Rod for the southeast corner
5-14 of said Evan tract and at a turn in Bodovsky Road and on the north
5-15 line of a tract as described in Deed to GIC Hedges, filed 27 July
5-16 2006, and Recorded in Volume 4093 Page 207 of said Deed Records;
5-17 Thence: North 87 degrees 58 minutes 12 seconds West, with the south
5-18 line of said Evans tract, and in Bodovsky Road, a distance of
5-19 1160.49 feet to a found survey mark nail for the northwest corner of
5-20 a said Hedges tract, and the northeast corner of a tract as
5-21 described in Deed to Clifton G. Goodrum, filed 16 June 2006, and
5-22 Recorded in Volume 3010 Page 268 of said Deed Records, and at the
5-23 intersection of Bodovsky Road and Liberty Love Lane;
5-24 Thence: North 87 degrees 38 minutes 09 seconds, West, with the south
5-25 line of said Evans tract, and the north line of said Goodrum tract,
5-26 and in Bodovsky Road, a distance of 638.12 feet to a set survey mark
5-27 nail for the northwest corner of said Goodrum tract and on the east
5-28 Right-of-Way line of Farm-to-Market Road Number 121;
5-29 Thence: With the south line of said Evans tract, and along the north
5-30 ROW line of said FM 121, the following 8 (eight) calls;
5-31 1. North 04 degrees 11 minutes 10 seconds East, a distance
5-32 of 25.00 feet to a found State of Texas Concrete Right-of-Way
5-33 Monument;
5-34 2. North 87 degrees 38 minutes 07 seconds West, a distance
5-35 of 327.28 feet to a found State of Texas Concrete Right-of-Way
5-36 Monument, and the start of a curve to the left whose radius is
5-37 1185.94 feet, and a central angle of 09 degrees 08 minutes 00
5-38 seconds;
5-39 3. With said curve an arc length of 189.05 feet to a set 1/2
5-40 inch Steel Square Tubing for a corner;
5-41 4. North 87 degrees 51 minutes 33 seconds West, a distance
5-42 of 2040.40 feet to a found State of Texas Concrete Right-of-Way
5-43 Monument;
5-44 5. North 88 degrees 50 minutes 00 seconds West, a distance
5-45 of 1045.64 feet to a found State of Texas Concrete Right-of-Way
5-46 Monument;
5-47 6. North 85 degrees 03 minutes 00 seconds West, a distance
5-48 of 151.30 feet for a corner;
5-49 7. North 88 degrees 44 minutes 29 seconds West, a distance
5-50 of 447.05 feet to a found State of Texas Concrete Right-of-Way
5-51 Monument;
5-52 8. North 87 degrees 22 minutes 12 seconds West, a distance
5-53 of 707.52 feet to the POINT OF BEGINNING and containing 580.877
5-54 acres of land, more or less.

5-55 SECTION 3. (a) The legal notice of the intention to
5-56 introduce this Act, setting forth the general substance of this
5-57 Act, has been published as provided by law, and the notice and a
5-58 copy of this Act have been furnished to all persons, agencies,
5-59 officials, or entities to which they are required to be furnished
5-60 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-61 Government Code.

5-62 (b) The governor, one of the required recipients, has
5-63 submitted the notice and Act to the Texas Commission on
5-64 Environmental Quality.

5-65 (c) The Texas Commission on Environmental Quality has filed
5-66 its recommendations relating to this Act with the governor, the
5-67 lieutenant governor, and the speaker of the house of
5-68 representatives within the required time.

5-69 (d) All requirements of the constitution and laws of this

6-1 state and the rules and procedures of the legislature with respect
6-2 to the notice, introduction, and passage of this Act are fulfilled
6-3 and accomplished.

6-4 SECTION 4. (a) If this Act does not receive a two-thirds
6-5 vote of all the members elected to each house, Subchapter C, Chapter
6-6 8009, Special District Local Laws Code, as added by Section 1 of
6-7 this Act, is amended by adding Section 8009.0308 to read as follows:

6-8 Sec. 8009.0308. NO EMINENT DOMAIN POWER. The district may
6-9 not exercise the power of eminent domain.

6-10 (b) This section is not intended to be an expression of a
6-11 legislative interpretation of the requirements of Section 17(c),
6-12 Article I, Texas Constitution.

6-13 SECTION 5. This Act takes effect September 1, 2019.

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