

1-1 By: Stucky (Senate Sponsor - Fallon) H.B. No. 4719
1-2 (In the Senate - Received from the House May 6, 2019;
1-3 May 7, 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				
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 La La Ranch Municipal Utility
1-18 District of Denton County; granting a limited power of eminent
1-19 domain; providing authority to issue bonds; providing authority to
1-20 impose 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 8031 to read as follows:

1-24 CHAPTER 8031. LA LA RANCH MUNICIPAL UTILITY DISTRICT OF DENTON
1-25 COUNTY

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 8031.0101. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "Commission" means the Texas Commission on
1-30 Environmental Quality.

1-31 (3) "Director" means a board member.

1-32 (4) "District" means the La La Ranch Municipal Utility
1-33 District of Denton County.

1-34 Sec. 8031.0102. 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. 8031.0103. 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. 8031.0104. CONSENT OF MUNICIPALITY REQUIRED. The
1-42 temporary directors may not hold an election under Section
1-43 8031.0103 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. 8031.0105. 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. 8031.0106. 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. 8031.0201. 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 8031.0202, directors
 2-12 serve staggered four-year terms.

2-13 Sec. 8031.0202. 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 8031.0103; or

2-23 (2) September 1, 2023.

2-24 (c) If permanent directors have not been elected under
 2-25 Section 8031.0103 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 8031.0103; 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. 8031.0301. 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. 8031.0302. MUNICIPAL UTILITY DISTRICT POWERS AND
 2-45 DUTIES. 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 Sec. 8031.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
 2-50 52, Article III, Texas Constitution, the district may design,
 2-51 acquire, construct, finance, issue bonds for, improve, operate,
 2-52 maintain, and convey to this state, a county, or a municipality for
 2-53 operation and maintenance macadamized, graveled, or paved roads, or
 2-54 improvements, including storm drainage, in aid of those roads.

2-55 Sec. 8031.0304. ROAD STANDARDS AND REQUIREMENTS. (a) A
 2-56 road project must meet all applicable construction standards,
 2-57 zoning and subdivision requirements, and regulations of each
 2-58 municipality in whose corporate limits or extraterritorial
 2-59 jurisdiction the road project is located.

2-60 (b) If a road project is not located in the corporate limits
 2-61 or extraterritorial jurisdiction of a municipality, the road
 2-62 project must meet all applicable construction standards,
 2-63 subdivision requirements, and regulations of each county in which
 2-64 the road project is located.

2-65 (c) If the state will maintain and operate the road, the
 2-66 Texas Transportation Commission must approve the plans and
 2-67 specifications of the road project.

2-68 Sec. 8031.0305. COMPLIANCE WITH MUNICIPAL CONSENT
 2-69 ORDINANCE OR RESOLUTION. The district shall comply with all

3-1 applicable requirements of any ordinance or resolution that is
 3-2 adopted under Section 54.016 or 54.0165, Water Code, and that
 3-3 consents to the creation of the district or to the inclusion of land
 3-4 in the district.
 3-5 Sec. 8031.0306. DIVISION OF DISTRICT. (a) The district may
 3-6 be divided into two or more new districts only if the district:
 3-7 (1) has no outstanding bonded debt; and
 3-8 (2) is not imposing ad valorem taxes.
 3-9 (b) This chapter applies to any new district created by the
 3-10 division of the district, and a new district has all the powers and
 3-11 duties of the district.
 3-12 (c) Any new district created by the division of the district
 3-13 may not, at the time the new district is created, contain any land
 3-14 outside the area described by Section 2 of the Act creating this
 3-15 chapter.
 3-16 (d) The board, on its own motion or on receipt of a petition
 3-17 signed by the owner or owners of a majority of the assessed value of
 3-18 the real property in the district, may adopt an order dividing the
 3-19 district.
 3-20 (e) The board may adopt an order dividing the district
 3-21 before or after the date the board holds an election under Section
 3-22 8031.0103 to confirm the district's creation.
 3-23 (f) An order dividing the district shall:
 3-24 (1) name each new district;
 3-25 (2) include the metes and bounds description of the
 3-26 territory of each new district;
 3-27 (3) appoint temporary directors for each new district;
 3-28 and
 3-29 (4) provide for the division of assets and liabilities
 3-30 between or among the new districts.
 3-31 (g) On or before the 30th day after the date of adoption of
 3-32 an order dividing the district, the district shall file the order
 3-33 with the commission and record the order in the real property
 3-34 records of each county in which the district is located.
 3-35 (h) Any new district created by the division of the district
 3-36 shall hold a confirmation and directors' election as required by
 3-37 Section 8031.0103. If the voters of a new district do not confirm
 3-38 the creation of the new district, the assets, obligations,
 3-39 territory, and governance of the new district revert to the
 3-40 original district.
 3-41 (i) Municipal consent to the creation of the district and to
 3-42 the inclusion of land in the district granted under Section
 3-43 8031.0104 acts as municipal consent to the creation of any new
 3-44 district created by the division of the district and to the
 3-45 inclusion of land in the new district.
 3-46 (j) Any new district created by the division of the district
 3-47 must hold an election as required by this chapter to obtain voter
 3-48 approval before the district may impose a maintenance tax or issue
 3-49 bonds payable wholly or partly from ad valorem taxes.
 3-50 Sec. 8031.0307. FIREFIGHTING SERVICES. Notwithstanding
 3-51 Section 49.351(a), Water Code, the district may, as authorized by
 3-52 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,
 3-53 Water Code:
 3-54 (1) establish, operate, and maintain a fire
 3-55 department;
 3-56 (2) contract with another political subdivision for
 3-57 the joint operation of a fire department; or
 3-58 (3) contract with any other person to perform
 3-59 firefighting services in the district and may issue bonds and
 3-60 impose taxes to pay for the department and the activities.
 3-61 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS
 3-62 Sec. 8031.0401. ELECTIONS REGARDING TAXES OR BONDS. (a)
 3-63 The district may issue, without an election, bonds and other
 3-64 obligations secured by:
 3-65 (1) revenue other than ad valorem taxes; or
 3-66 (2) contract payments described by Section 8031.0403.
 3-67 (b) The district must hold an election in the manner
 3-68 provided by Chapters 49 and 54, Water Code, to obtain voter approval
 3-69 before the district may impose an ad valorem tax or issue bonds

4-1 payable from ad valorem taxes.
 4-2 (c) The district may not issue bonds payable from ad valorem
 4-3 taxes to finance a road project unless the issuance is approved by a
 4-4 vote of a two-thirds majority of the district voters voting at an
 4-5 election held for that purpose.

4-6 Sec. 8031.0402. OPERATION AND MAINTENANCE TAX. (a) If
 4-7 authorized at an election held under Section 8031.0401, the
 4-8 district may impose an operation and maintenance tax on taxable
 4-9 property in the district in accordance with Section 49.107, Water
 4-10 Code.

4-11 (b) The board shall determine the tax rate. The rate may not
 4-12 exceed the rate approved at the election.

4-13 Sec. 8031.0403. CONTRACT TAXES. (a) In accordance with
 4-14 Section 49.108, Water Code, the district may impose a tax other than
 4-15 an operation and maintenance tax and use the revenue derived from
 4-16 the tax to make payments under a contract after the provisions of
 4-17 the contract have been approved by a majority of the district voters
 4-18 voting at an election held for that purpose.

4-19 (b) A contract approved by the district voters may contain a
 4-20 provision stating that the contract may be modified or amended by
 4-21 the board without further voter approval.

4-22 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

4-23 Sec. 8031.0501. AUTHORITY TO ISSUE BONDS AND OTHER
 4-24 OBLIGATIONS. The district may issue bonds or other obligations
 4-25 payable wholly or partly from ad valorem taxes, impact fees,
 4-26 revenue, contract payments, grants, or other district money, or any
 4-27 combination of those sources, to pay for any authorized district
 4-28 purpose.

4-29 Sec. 8031.0502. TAXES FOR BONDS. At the time the district
 4-30 issues bonds payable wholly or partly from ad valorem taxes, the
 4-31 board shall provide for the annual imposition of a continuing
 4-32 direct ad valorem tax, without limit as to rate or amount, while all
 4-33 or part of the bonds are outstanding as required and in the manner
 4-34 provided by Sections 54.601 and 54.602, Water Code.

4-35 Sec. 8031.0503. BONDS FOR ROAD PROJECTS. At the time of
 4-36 issuance, the total principal amount of bonds or other obligations
 4-37 issued or incurred to finance road projects and payable from ad
 4-38 valorem taxes may not exceed one-fourth of the assessed value of the
 4-39 real property in the district.

4-40 SECTION 2. The La La Ranch Municipal Utility District of
 4-41 Denton County initially includes all the territory contained in the
 4-42 following area:

4-43 BEING a tract of land situated in the Henry Harman
 4-44 Survey, Abstract Number 617, Denton County, Texas,
 4-45 being the east 1/2 of said survey and that tract of
 4-46 land conveyed to La La Ranch, LLC. according to the
 4-47 document filed of record in Instrument Number
 4-48 2016-71592, Real Property Records Denton County, Texas
 4-49 (R.P.R.D.C.T.), said tract being more particularly
 4-50 described as follows:

4-51 BEGINNING at a point for the northwest corner of said
 4-52 La La Ranch tract and the tract of land described
 4-53 herein;

4-54 THENCE South 87°37'20" East, with the north line of
 4-55 said tract, a distance of 2,541.52 feet to a point for
 4-56 the northeast corner of this tract and the beginning of
 4-57 a non-tangent curve to the left having a central angle
 4-58 of 7°01'35", a radius of 39,156.15 feet, a chord
 4-59 bearing and distance of South 6°14'19" East, 4,798.91
 4-60 feet;

4-61 THENCE over and across said tract in a southeasterly
 4-62 direction, with said curve to the left, an arc distance
 4-63 of 4,801.92 feet to a point for the southeast corner of
 4-64 this tract and being the beginning of a non-tangent
 4-65 curve to the left having a central angle of 7°17'15", a
 4-66 radius of 26,264.72 feet, a chord bearing and distance
 4-67 of South 70°52'17" West, 3,338.34 feet;

4-68 THENCE continuing over and across said tract in a
 4-69 southwesterly direction, with said curve to the left,

5-1 an arc distance of 3,340.59 feet to a point in the west
5-2 line of said tract for the southwest corner of this
5-3 tract;

5-4 THENCE North 0°53'40" East, with the west line of the
5-5 above mentioned La La Ranch tract, a distance of
5-6 5,970.60 feet to the POINT OF BEGINNING and containing
5-7 15,039,337 square feet or 345.26 acres of land, more or
5-8 less.

5-9 SECTION 3. (a) The legal notice of the intention to
5-10 introduce this Act, setting forth the general substance of this
5-11 Act, has been published as provided by law, and the notice and a
5-12 copy of this Act have been furnished to all persons, agencies,
5-13 officials, or entities to which they are required to be furnished
5-14 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5-15 Government Code.

5-16 (b) The governor, one of the required recipients, has
5-17 submitted the notice and Act to the Texas Commission on
5-18 Environmental Quality.

5-19 (c) The Texas Commission on Environmental Quality has filed
5-20 its recommendations relating to this Act with the governor, the
5-21 lieutenant governor, and the speaker of the house of
5-22 representatives within the required time.

5-23 (d) All requirements of the constitution and laws of this
5-24 state and the rules and procedures of the legislature with respect
5-25 to the notice, introduction, and passage of this Act are fulfilled
5-26 and accomplished.

5-27 SECTION 4. (a) If this Act does not receive a two-thirds
5-28 vote of all the members elected to each house, Subchapter C, Chapter
5-29 8031, Special District Local Laws Code, as added by Section 1 of
5-30 this Act, is amended by adding Section 8031.0308 to read as follows:

5-31 Sec. 8031.0308. NO EMINENT DOMAIN POWER. The district may
5-32 not exercise the power of eminent domain.

5-33 (b) This section is not intended to be an expression of a
5-34 legislative interpretation of the requirements of Section 17(c),
5-35 Article I, Texas Constitution.

5-36 SECTION 5. This Act takes effect September 1, 2019.

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