1-1 S.B. No. 2257 By: Springer (In the Senate - Filed May 13, 2021; May 14, 2021, read first time and referred to Committee on Local Government; May 19, 2021, reported favorably by the following vote: Yeas 9, 1-2 1-3 1-4 Nays 0; May 19, 2021, sent to printer.)

1-6 COMMITTEE VOTE

1-7		Yea	Nay	Absent	PNV
1-8	Bettencourt	Х			
1-9	Menéndez	X			
1-10	Eckhardt	X			
1-11	Gutierrez	X			
1-12	Hall	X			
1-13	Nichols	X			
1-14	Paxton	X			
1-15	Springer	X			
1-16	Zaffirini	X			

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

> relating to the creation of the Northwest Denton County 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 7933A to read as follows: CHAPTER 7933A. NORTHWEST DENTON COUNTY MUNICIPAL UTILITY DISTRICT

NO. 1 GENERAL PROVISIONS SUBCHAPTER A

7933A.0101. DEFINITIONS. In this chapter:

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

"Commission" (2) Texas means the Commission on

Environmental Quality.

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(3)

"Director" means a board member.
"District" means the Northwest (4) Denton County

Municipal Utility District No. 1.

Sec. 7933A.0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

7933A.0103. Sec. CONFIRMATION AND DIRECTOR ELECTION The temporary directors shall hold an election to REQUIRED. confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 7933A.0104. CONSENT OF MUNICIPALITY REQUIRED. The

temporary directors may not hold an election under Section 7933A.0103 until each municipality in whose corporate limits or jurisdiction the district is located has extraterritorial consented by ordinance or resolution to the credistrict and to the inclusion of land in the district. creation

Sec. 7933A.0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. The district is created to serve a public purpose and benefit.

The district is created to accomplish the purposes of:

municipal utility district as progeneral law and Section 59, Article XVI,

(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. 7933A.0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described

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

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does not affect the district's:
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- (1)
- organization, existence, or validity; 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

legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 7933A.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 7933A.0202, directors serve staggered four-year terms.

7933A.0202. TEMPORARY DIRECTORS. (a) The temporary Sec. board consists of:

- Lance Martin;
- Jason Tuberville;
- (3) Zach Stateson;
- (4) Clarke Overlander; and
  - (5) Michelle Dobson.
- (b)
- Temporary directors serve until the earlier of:
  (1) the date permanent directors are elected under Section 7933A.0103; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.
- ) If permanent directors have not been elected under 7933A.0103 and the terms of the temporary directors have Section 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 7933A.0103; or
- (2) the fourth anniversary of the date of appointment or reappointment.
- If Subsection (c) applies, the owner or owners of 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 petition.

## SUBCHAPTER C. POWERS AND DUTIES

- Sec. 7933A. 0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for
- which the district is created.

  Sec. 7933A.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. 7933A.0303. AUTHORI
- Sec. 7933A.0303. AUTHORITY FUR RUAD FROM Section 52, Article III, Texas Constitution, the district may AUTHORITY 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. 7933A.0304. ROAD STANDARDS AND REQUIREMENTS. project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limit jurisdiction the road project is located. limits or extraterritorial
- (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
- Transportation Commission must approve the plans and specifications of the road project.
  Sec. 7933A.0305. COMPLIANCE
- 2-70 WITH MUNICIPAL CONSENT 2-71 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 3 - 13-2 3-3 3-4 in the district.

(a) 7933A.0306. DIVISION OF DISTRICT. The district Sec. may be divided into two or more new districts only if the district:

has no outstanding bond debt; and is not imposing ad valorem taxes.

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

  (c) 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
- 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.
- (e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 7933A.0103 to confirm the district's creation.
  - An order dividing the district shall:
- (1) name each new district;(2) include the metes and bounds description of the territory of each new district;
- (3) appoint temporary directors for each new district; and
- provide for the division of assets and liabilities (4)between the new districts.

  (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) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 7933A.0103. If the voters of a new district do not confirm the creation of the new district, the assets, obligations, territory, and governance of the new district revert to the original district.
- (i) Municipal consent to the creation of the district and to inclusion of land in the district granted under Section 7933A.0104 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.

  (j) Any 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.

  SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

  Sec. 7933A.0401. ELECTIONS REGARDING TAXES OR BONDS.
- (a) district may issue, without an election, bonds and other obligations secured by:
  - (1) revenue other than ad valorem taxes; or
- contract payments described Section 7933A.0403.
- The district must hold an election (b) 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. 7933A.0402. OPERATION AND MAINTENANCE TAX. authorized at an election held under Section 7933A.0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
- 3-70 The board shall determine the tax rate. The rate may not 3-71 exceed the rate approved at the election.

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Sec. 7933A.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

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the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS 7933A.0501. AUTHORITY TO ISSUE BONDS AND 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

 $\overline{\text{Sec.}}$  7933A.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. 7933A.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 Northwest Denton County Municipal Utility District No. 1 initially includes all the territory contained in the following area:

BEING a tract of land situated in the William Mason Survey, Abstract No. 801, the B.B.B. & C.R.R. Co. Survey, Abstract No. 199, and the B.B.B. & C.R.R. Co. Survey, Abstract No. 1457, Denton County, Texas, and being a portion of a called 55.27 acre tract of land described in a Warranty Deed to Wilbur Clarence Hoehn, as recorded in Instrument No. 1994-69063 of the Official Records of Denton County, Texas, and also being all of Lots 1 thru 6, Block A of Saddle Ridge Estates, according to the Final Plat thereof recorded in Cabinet M, Page 241 of the Plat Records of Denton County, Texas, and being all of a called 100.00 acre tract of land described as First Tract and all of a called 76.691 acre tract of land described as Second Tract in a Conveyance, Assignment and Deed to MER Energy, LTD., as recorded in Instrument No. 2011- 110535 of the Official Records of Denton County, Texas, in a Conveyance, Assignment and Deed to Rudco Land, LLC, as recorded in Instrument No. 2017-16370 of the Official Records of Denton County, Texas, and in Conveyance, Assignment and Deed of Correction to Ira W. Silverman, Trustee of the Tachina Rudman Trust, as recorded in Instrument No. 2019-142385 of the Official Records of Denton County, Texas, and being more particularly described as follows:
BEGINNING at a mag nail set for the northwest corner of said 55.27

acre tract, common to the northeast corner of a 30 foot road dedication shown on the Final Plat of said Saddle Ridge Estates, being in the centerline of Hoehn Road, a variable width right of way, and on the southerly line of a called 160.27 acre tract of land described in a deed to Earthland Farms, LLC, as recorded in Instrument No. 2017-144271 of the Official Records of Denton

County, Texas;
THENCE South 89°36'45" East, along the northerly line of said 55.27 acre tract, the southerly line of said 160.27 acre tract, the southerly line of a called 10.01 acre tract of land described in a deed to Miguel Del Rosario Vinales and Souvanna Del Rosario Vinales, as recorded in Instrument No. 2018-84116 of the Official Records of Denton County, Texas, the southerly line of a called 10.01 acre tract of land described in a deed to Christopher M. Conely and Dawn M. Conely, as recorded in Instrument No. 2019-65759 of the Official Records of Denton County, Texas, the southerly line of a called 10.01 acre tract of land described in a deed to Yadira Alvarado. As recorded in Instrument No. 2019-2022 of the Official Alvarado, as recorded in Instrument No. 2019-903 of the Official Records of Denton County, Texas, the southerly line of a called 10.01 acre tract of land described in a deed to Armando Olvera,

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Isidro Olvera and Olivia Olvera, as recorded in Instrument No. 2018-111054 of the Official Records of Denton County, Texas, and 5-1 5-2 5-3 the centerline of said Hoehn Road, a distance of 2056.33 feet to a 5-4 point for corner;

THENCE South  $0^{\circ}29'54''$  West, departing the centerline of said Hoehn Road, and crossing said 55.27 acre tract, a distance of 826.73 feet 5-5 5**-**6 5-7 to a point for corner on the southerly line of said 55.27 acre tract and on the northerly line of a called 104.5051 acre tract of land described in a deed to Charles E. Stobaugh, as recorded in Volume 5-8 5**-**9 5-10

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2827, Page 965 of the Deed Records of Denton County, Texas; THENCE along the common line of said 55.27 acre tract and said

104.5051 acre tract, the following courses and distances: South  $87^{\circ}03'58"$  West, a distance of 359.14 feet to a metal fence post found for an ell corner of said 55.27 acre tract, common to the northerly northwest corner of said 104.5051 acre tract;

South  $2^{\circ}15'37"$  West, a distance of 183.36 feet to a 1/2 inch iron rod for the southerly southeast corner of said 55.27 acre tract, common to an ell corner of said 104.5051 acre tract;

North  $89^{\circ}56'04"$  West, a distance of 1688.00 feet to a 1/2 inch iron rod with plastic cap stamped "RPLS 4561" found for the southwest corner of said 55.27 acre tract, common to the southerly northwest corner of said 104.5051 acre tract, being

on the easterly line of said Lot 6; THENCE South  $0^{\circ}15'53''$  West, along the easterly line of said Lot 6 and the westerly line of said 104.5051 acre tract, a distance of 1736.32feet to a 1/2 inch iron rod found for the southeast corner of said Lot 6, common to the southwest corner of said 104.5051 acre tract, the northwest corner of a called 145.493 acre tract of land described in a deed to FFILP Land Holdings, LLC, as recorded in Instrument No. 2019-51911 of the Official Records of Denton County, Texas, and the northeast corner of a called 26.008 acre tract of land described in a deed to Dale P. McCurley, as recorded in Volume

land described in a deed to Dale P. McCurley, as recorded in Volume 1041, Page 494 of the Deed Records of Denton County, Texas; THENCE North 89°57'58" West, along the southerly lines of said Lots 1 thru 6, the northerly line of said 26.008 acre tract, the northerly line of a tract of land described in a deed to Carl McCurley, Henry Thompson and V.H. Ward, Jr., as recorded in Volume 663, Page 80 of the Deed Records of Denton County, Texas, the northerly line of a called 13.004 acre tract of land described in a deed to McCurley Ranch, Ltd., as recorded in Instrument No. 1999-126276 of the Official Records of Denton County. Texas, the 1999-126276 of the Official Records of Denton County, Texas, the northerly line of a called 26.008 acre tract of land described as Tract 1 in a deed to McCurley Ranch, Ltd., as recorded in Instrument No. 1999- 126276 of the Official Records of Denton County, Texas, and the northerly line of a called 78.473 acre tract of land described in a deed to Ray Sullivan Carson, as recorded in Volume 478, Page 599 of the Deed Records of Denton County, Texas, a distance of 2531.49 feet to a metal post found for the southwest corner of said Lot 1, common to the northwest corner of said 78.473 acre tract, being on the easterly line of a called 100 acre tract of land described in a deed to Adrian J. Butler, Jr., and Margaret J. Butler, as recorded in Instrument No. 1995-47603 of the Official

Records of Denton County, Texas; THENCE North  $0^{\circ}14'24"$  East, along the westerly line of said Lot 1 and 5**-**56 5-57 the easterly line of said 100 acre tract, a distance of 226.41 feet to the northeast corner of said 100 acre tract, common to the 5-58 5-59

southeast corner of aforesaid Second Tract; THENCE North 89°29'36" West, departing the westerly line of said Saddle Ridge Estates, along the southerly line of said Second Tract 5-60 5-61 and the northerly line of said 100 acre tract, a distance of 2983.73 5-62 feet to a mag nail set for corner the southwest corner of said 5-63 5-64 Second Tract, common to the northwest corner of said 100 acre tract, being in Lois Road, a variable width right-of-way, and on the easterly line of a called 84.23 acre tract of land described in a deed to Earthland Farms, LLC, as recorded in Instrument No. 2018-88474 of the Official Records of Denton County, Texas; 5-65 5-66 5-67

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THENCE North  $0^{\circ}14'24''$  East, along the westerly lines of said First 5-69 and Second Tract, the easterly line of said 84.23 acre tract, and said Lois Road, a distance of 2577.69 feet to a mag nail set for 5-70 5-71

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northwest corner of said First Tract, being on the northerly 6-1

right-of-way line of aforesaid Hoehn Road; 6-2

THENCE South 89°55'36" East, departing said Lois Road, along the northerly line of said First Tract and the northerly right-of-way 6-3 6-4 line of said Hoehn Road, a distance of 2983.71 feet to a 60D Nail found for the northeast corner of said First Tract, being on the northerly right-of-way line of Hoehn Road, a variable width 6**-**5 6-6 6-7 6-8 right-of-way;

THENCE South  $0^{\circ}14'24''$  West, departing the northerly right-of-way 6-9 6**-**10 6**-**11 line of said Hoehn Road, crossing said Hoehn Road and along the easterly line of said First Tract, a distance of 50.84 feet to the northwest corner of said Lot 1, same being on the southerly 6-12

right-of-way line of said Hoehn Road; 6-13

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THENCE South 89°18'18" East, departing the easterly line of said First Tract, along northerly lines of said Lots 1 thru 6, the southerly line of said 30 foot wide road dedication and the southerly right-of-way line of said Hoehn Road, a distance of 6-14 6**-**15 6**-**16 6-17 6-18 2532.73 feet to the northeast corner of said Lot 6, being on the westerly line of aforesaid 55.27 acre tract; 6-19 6-20 6-21

THENCE North  $0^{\circ}15'53"$  East, along the easterly line of said 30 foot wide road dedication, the easterly right-of-way line of said Hoehn Road, and the westerly line of said 55.27 acre tract, a distance of 30.00 feet to the POINT OF BEGINNING and containing 385.028 acres (16,771,817 square feet) of land, more or less.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

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.

- The governor, one of the required recipients, has the notice and Act to the Texas Commission on (b) notice and Act to the Texas Commission submitted the 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 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 7933A, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section 7933A.0307 to read as follows:

7933A.0307. NO EMINENT DOMAIN POWER. The district may Sec. 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, 2021.

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