

AN ACT

relating to the powers and duties of the Big Sky Municipal Utility District of Denton County and the Smiley Road Water Control and Improvement District; providing authority to issue bonds and impose fees and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. POWERS AND DUTIES OF THE BIG SKY MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY

SECTION 1.01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 7973 to read as follows:

CHAPTER 7973. BIG SKY MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7973.001. DEFINITION. In this chapter, "district" means the Big Sky Municipal Utility District of Denton County.

Sec. 7973.002. NATURE AND PURPOSES OF DISTRICT. (a) The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

(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.

1                   SUBCHAPTER B. POWERS AND DUTIES

2           Sec. 7973.051. GENERAL POWERS AND DUTIES. The district has  
3 the powers and duties necessary to accomplish the purposes for  
4 which the district is created.

5           Sec. 7973.052. MUNICIPAL UTILITY DISTRICT POWERS AND  
6 DUTIES. The district has the powers and duties provided by the  
7 general law of this state, including Chapters 49 and 54, Water Code,  
8 applicable to municipal utility districts created under Section 59,  
9 Article XVI, Texas Constitution.

10          Sec. 7973.053. AUTHORITY FOR ROAD PROJECTS. Under Section  
11 52, Article III, Texas Constitution, the district may design,  
12 acquire, construct, finance, issue bonds for, improve, operate,  
13 maintain, and convey to this state, a county, or a municipality for  
14 operation and maintenance macadamized, graveled, or paved roads, or  
15 improvements, including storm drainage, in aid of those roads.

16          Sec. 7973.054. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
17 project must meet all applicable construction standards and  
18 regulations of each municipality in whose corporate limits or  
19 extraterritorial jurisdiction the road project is located.

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

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

27          Sec. 7973.055. FIREFIGHTING SERVICES. Notwithstanding

1 Section 49.351(a), Water Code, the district may, as authorized by  
2 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,  
3 Water Code:

4 (1) establish, operate, and maintain a fire  
5 department;

6 (2) contract with another political subdivision for  
7 the joint operation of a fire department; or

8 (3) contract with any other person to perform  
9 firefighting services in the district and may issue bonds and  
10 impose taxes to pay for the department and the activities.

11 Sec. 7973.056. FEES AND CHARGES. (a) The district may  
12 adopt and enforce all necessary charges, mandatory fees, or  
13 rentals, in addition to taxes, for providing or making available  
14 any district facility or service, including firefighting  
15 activities provided under Section 7973.055.

16 (b) To enforce payment of an unpaid fee or charge due to the  
17 district, on the request of the district, a retail public utility,  
18 as defined by Section 13.002, Water Code, providing water or sewer  
19 service to a customer in the district shall terminate the service.

20 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

21 Sec. 7973.101. AUTHORITY TO ISSUE BONDS AND OTHER  
22 OBLIGATIONS FOR ROAD PROJECTS. (a) In addition to the district's  
23 authority to issue bonds for other purposes, the district may issue  
24 bonds or other obligations payable wholly or partly from ad valorem  
25 taxes, revenue, contract payments, grants, or other district money,  
26 or any combination of those sources, to pay for a road project  
27 authorized by Section 7973.053.

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

5        (c) At the time of issuance, the total principal amount of  
6 bonds or other obligations issued or incurred to finance road  
7 projects and payable from ad valorem taxes may not exceed  
8 one-fourth of the assessed value of the real property in the  
9 district.

10        Sec. 7973.102. TAXES FOR BONDS. At the time the district  
11 issues bonds payable wholly or partly from ad valorem taxes, the  
12 district shall provide for the annual imposition of a continuing  
13 direct ad valorem tax, without limit as to rate or amount, while all  
14 or part of the bonds are outstanding.

15        SECTION 1.02. The Big Sky Municipal Utility District of  
16 Denton County retains all rights, powers, privileges, authority,  
17 duties, and functions that it had before the effective date of this  
18 article of this Act.

19        SECTION 1.03. (a) The legal notice of the intention to  
20 introduce a bill relating to the powers and duties of the Big Sky  
21 Municipal Utility District, setting forth the general substance of  
22 this article of this Act, has been published as provided by law, and  
23 the notice and a copy of a bill relating to the powers and duties of  
24 the Big Sky Municipal Utility District have been furnished to all  
25 persons, agencies, officials, or entities to which they are  
26 required to be furnished under Section 59, Article XVI, Texas  
27 Constitution, and Chapter 313, Government Code.

1 (b) The governor, one of the required recipients, has  
2 submitted the notice and a bill relating to the powers and duties of  
3 the Big Sky Municipal Utility District to the Texas Commission on  
4 Environmental Quality.

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

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

13 ARTICLE 2. POWERS AND DUTIES OF THE SMILEY ROAD WATER CONTROL AND  
14 IMPROVEMENT DISTRICT

15 SECTION 2.01. Section 9001.104, Special District Local Laws  
16 Code, is amended to read as follows:

17 Sec. 9001.104. [~~PROHIBITION ON~~] DIVISION OF DISTRICT. (a)  
18 The district may be divided into two or more districts only if the  
19 district:

20 (1) has no outstanding bonded debt; and

21 (2) is not imposing ad valorem taxes.

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

25 (c) A new district created by the division of the district  
26 may not, at the time the new district is created, contain any land  
27 outside the area described by Section 9001.004.

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) An order dividing the district shall:

6           (1) name each new district;

7           (2) include the metes and bounds of each new district;

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

9 and

10          (4) provide for the division of assets and liabilities  
11 between the district and each new district.

12       (f) On or before the 30th day after the date of adoption of  
13 an order dividing the district, the district shall file the order  
14 with the Texas Commission on Environmental Quality and record the  
15 order in the real property records of each county in which the  
16 district is located.

17       (g) A new district may be created by the division of the  
18 district only if approved by the voters of the new district in a  
19 confirmation and directors' election held for that purpose.

20       (h) If the district is located wholly or partly in the  
21 corporate limits or the extraterritorial jurisdiction of a  
22 municipality, the district may not divide under this section unless  
23 the municipality by resolution or ordinance consents to the  
24 division of the district.

25       (i) Any new district created by the division of the district  
26 must hold an election to obtain voter approval before the district  
27 may impose a maintenance tax or issue bonds payable wholly or partly

1 from ad valorem taxes. [~~The district may not divide into two or~~  
2 ~~more districts in the manner specified by Section 51.748 or 53.029,~~  
3 ~~Water Code.~~]

4 SECTION 2.02. (a) The following are validated and  
5 confirmed in all respects:

6 (1) the creation of the Smiley Road Water Control and  
7 Improvement District; and

8 (2) any act or proceeding of the district, including  
9 an election, not excepted by this section and taken not more than  
10 three years before the effective date of this Act, effective as of  
11 the date on which the act or proceeding occurred.

12 (b) This section does not apply to:

13 (1) an act, proceeding, director, other official,  
14 bond, or other obligation the validity of which or of whom is the  
15 subject of litigation that is pending on the effective date of this  
16 Act; or

17 (2) an act or proceeding that, under a statute of this  
18 state or the United States, was a misdemeanor or felony at the time  
19 the act or proceeding occurred.

20 ARTICLE 3. EFFECTIVE DATE

21 SECTION 3.01. This Act takes effect immediately if it  
22 receives a vote of two-thirds of all the members elected to each  
23 house, as provided by Section 39, Article III, Texas Constitution.  
24 If this Act does not receive the vote necessary for immediate  
25 effect, this Act takes effect September 1, 2017.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2565 was passed by the House on May 4, 2017, by the following vote: Yeas 141, Nays 2, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2565 on May 24, 2017, by the following vote: Yeas 130, Nays 15, 3 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2565 was passed by the Senate, with amendments, on May 23, 2017, by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor