

1 AN ACT

2 relating to the creation of the Denton County Municipal Utility  
3 District No. 9; granting a limited power of eminent domain;  
4 providing authority to issue bonds; providing authority to impose  
5 assessments, fees, and taxes.

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

7 SECTION 1. Subtitle F, Title 6, Special District Local Laws  
8 Code, is amended by adding Chapter 7977 to read as follows:

9 CHAPTER 7977. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 9

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7977.001. DEFINITIONS. In this chapter:

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

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

15 (3) "Director" means a board member.

16 (4) "District" means the Denton County Municipal  
17 Utility District No. 9.

18 Sec. 7977.002. NATURE OF DISTRICT. The district is a  
19 municipal utility district created under Section 59, Article XVI,  
20 Texas Constitution.

21 Sec. 7977.003. CONFIRMATION AND DIRECTORS' ELECTION  
22 REQUIRED. The temporary directors shall hold an election to  
23 confirm the creation of the district and to elect five permanent  
24 directors as provided by Section 49.102, Water Code.

1       Sec. 7977.004. CONSENT OF MUNICIPALITY REQUIRED. The  
2 temporary directors may not hold an election under Section 7977.003  
3 until each municipality in whose corporate limits or  
4 extraterritorial jurisdiction the district is located has  
5 consented by ordinance or resolution to the creation of the  
6 district and to the inclusion of land in the district.

7       Sec. 7977.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a)  
8 The district is created to serve a public purpose and benefit.

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

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

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

16       Sec. 7977.006. INITIAL DISTRICT TERRITORY. (a) The  
17 district is initially composed of the territory described by  
18 Section 2 of the Act enacting this chapter.

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

23           (1) organization, existence, or validity;

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

27           (3) right to impose a tax; or

1           (4) legality or operation.

2                   SUBCHAPTER B. BOARD OF DIRECTORS

3           Sec. 7977.051. GOVERNING BODY; TERMS. (a) The district is  
4 governed by a board of five elected directors.

5           (b) Except as provided by Section 7977.052, directors serve  
6 staggered four-year terms.

7           Sec. 7977.052. TEMPORARY DIRECTORS. (a) On or after  
8 September 1, 2017, the owner or owners of a majority of the assessed  
9 value of the real property in the district may submit a petition to  
10 the commission requesting that the commission appoint as temporary  
11 directors the five persons named in the petition. The commission  
12 shall appoint as temporary directors the five persons named in the  
13 petition.

14           (b) Temporary directors serve until the earlier of:

15                   (1) the date permanent directors are elected under  
16 Section 7977.003; or

17                   (2) September 1, 2021.

18           (c) If permanent directors have not been elected under  
19 Section 7977.003 and the terms of the temporary directors have  
20 expired, successor temporary directors shall be appointed or  
21 reappointed as provided by Subsection (d) to serve terms that  
22 expire on the earlier of:

23                   (1) the date permanent directors are elected under  
24 Section 7977.003; or

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

27           (d) If Subsection (c) applies, the owner or owners of a

1 majority of the assessed value of the real property in the district  
2 may submit a petition to the commission requesting that the  
3 commission appoint as successor temporary directors the five  
4 persons named in the petition. The commission shall appoint as  
5 successor temporary directors the five persons named in the  
6 petition.

7 SUBCHAPTER C. POWERS AND DUTIES

8 Sec. 7977.101. GENERAL POWERS AND DUTIES. The district has  
9 the powers and duties necessary to accomplish the purposes for  
10 which the district is created.

11 Sec. 7977.102. MUNICIPAL UTILITY DISTRICT POWERS AND  
12 DUTIES. The district has the powers and duties provided by the  
13 general law of this state, including Chapters 49 and 54, Water Code,  
14 applicable to municipal utility districts created under Section 59,  
15 Article XVI, Texas Constitution.

16 Sec. 7977.103. AUTHORITY FOR ROAD PROJECTS. Under Section  
17 52, Article III, Texas Constitution, the district may design,  
18 acquire, construct, finance, issue bonds for, improve, operate,  
19 maintain, and convey to this state, a county, or a municipality for  
20 operation and maintenance macadamized, graveled, or paved roads, or  
21 improvements, including storm drainage, in aid of those roads.

22 Sec. 7977.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road  
23 project must meet all applicable construction standards, zoning and  
24 subdivision requirements, and regulations of each municipality in  
25 whose corporate limits or extraterritorial jurisdiction the road  
26 project is located.

27 (b) If a road project is not located in the corporate limits

1 or extraterritorial jurisdiction of a municipality, the road  
2 project must meet all applicable construction standards,  
3 subdivision requirements, and regulations of each county in which  
4 the road project is located.

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

8 Sec. 7977.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE  
9 OR RESOLUTION. The district shall comply with all applicable  
10 requirements of any ordinance or resolution that is adopted under  
11 Section 54.016 or 54.0165, Water Code, and that consents to the  
12 creation of the district or to the inclusion of land in the  
13 district.

14 Sec. 7977.106. FIREFIGHTING SERVICES. Notwithstanding  
15 Section 49.351(a), Water Code, the district may, as authorized by  
16 Section 59(f), Article XVI, Texas Constitution, and Section 49.351,  
17 Water Code:

18 (1) establish, operate, and maintain a fire  
19 department;

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

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

25 Sec. 7977.107. FEES AND CHARGES. (a) The district may  
26 adopt and enforce all necessary charges, mandatory fees, or  
27 rentals, in addition to taxes, for providing or making available

1 any district facility or service, including firefighting  
2 activities provided under Section 7977.106.

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

7 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

8 Sec. 7977.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The  
9 district may issue, without an election, bonds and other  
10 obligations secured by:

11 (1) revenue other than ad valorem taxes; or

12 (2) contract payments described by Section 7977.153.

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

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

21 Sec. 7977.152. OPERATION AND MAINTENANCE TAX. (a) If  
22 authorized at an election held under Section 7977.151, the district  
23 may impose an operation and maintenance tax on taxable property in  
24 the district in accordance with Section 49.107, Water Code.

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

27 Sec. 7977.153. CONTRACT TAXES. (a) In accordance with

1 Section 49.108, Water Code, the district may impose a tax other than  
2 an operation and maintenance tax and use the revenue derived from  
3 the tax to make payments under a contract after the provisions of  
4 the contract have been approved by a majority of the district voters  
5 voting at an election held for that purpose.

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

9 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

10 Sec. 7977.201. AUTHORITY TO ISSUE BONDS AND OTHER  
11 OBLIGATIONS. The district may issue bonds or other obligations  
12 payable wholly or partly from ad valorem taxes, impact fees,  
13 revenue, contract payments, grants, or other district money, or any  
14 combination of those sources, to pay for any authorized district  
15 purpose.

16 Sec. 7977.202. TAXES FOR BONDS. At the time the district  
17 issues bonds payable wholly or partly from ad valorem taxes, the  
18 board shall provide for the annual imposition of a continuing  
19 direct ad valorem tax, without limit as to rate or amount, while all  
20 or part of the bonds are outstanding as required and in the manner  
21 provided by Sections 54.601 and 54.602, Water Code.

22 Sec. 7977.203. BONDS FOR ROAD PROJECTS. At the time of  
23 issuance, the total principal amount of bonds or other obligations  
24 issued or incurred to finance road projects and payable from ad  
25 valorem taxes may not exceed one-fourth of the assessed value of the  
26 real property in the district.

27 SECTION 2. The Denton County Municipal Utility District

1 No. 9 initially includes all the territory contained in the  
2 following area:

3 All that certain lot, tract or parcel of land lying and being  
4 situated in Denton County, Texas and being a part of the R.R. Jowell  
5 Survey, Abstract number 660 and also being a part of those tracts of  
6 land described in deed to The JP Griffin Family Limited Partnership  
7 recorded in Document number 1995-1682 and 1995-1683, Real Property  
8 Records, Denton County, Texas and further described as Frist Tract  
9 and Third Tract in Volume 347, Page 141, Deed Records, Denton  
10 County, Texas and being more fully described by metes and bounds as  
11 follows;

12 BEGINNING at a capped iron rod set stamped "KAZ" at the Most  
13 Westerly Southwest corner of said First tract;

14 THENCE North 00 degrees 09 minutes 00 seconds East, 186.74 feet to a  
15 capped iron rod set stamped "KAZ" at a reentrant corner of said  
16 First tract and an ell corner of that called 114.00 acre tract of  
17 land described in deed to Serax Ranch LTD. recorded in Instrument  
18 number 1995-70429, Real Property Records, Denton County, Texas;

19 THENCE along the common line of said 114.00 acre tract and this  
20 tract, South 89 degrees 51 minutes 00 seconds East, 938.96 feet to a  
21 1/2 inch iron rod found at an ell corner of said First tract and a  
22 reentrant corner of said 114.00 acre tract;

23 THENCE North 00 degrees 21 minutes 14 seconds East, 456.75 feet to a  
24 TXDOT monument found in the new South line of U.S. Highway 380;

25 THENCE along said South line, South 71 degrees 55 minutes 00 seconds  
26 East, 180.29 feet to a TXDOT monument found;

27 THENCE continuing along said South line, South 80 degrees 01

1 minutes 46 seconds East, 99.99 feet to a TXDOT monument found;  
2 THENCE continuing along said South line, North 76 degrees 08  
3 minutes 36 seconds East, 327.87 feet to a TXDOT monument found;  
4 THENCE continuing along said South line, South 80 degrees 08  
5 minutes 48 seconds East, 999.73 feet to a TXDOT monument found;  
6 THENCE continuing along said South line, South 71 degrees 41  
7 minutes 06 seconds East, 101.07 feet to a TXDOT monument found;  
8 THENCE continuing along said South line, South 84 degrees 21  
9 minutes 50 seconds East, 200.57 feet to a TXDOT monument found;  
10 THENCE continuing along said South line, South 80 degrees 07  
11 minutes 31 seconds East, 1400.23 feet to a TXDOT monument found;  
12 THENCE continuing along said South line, South 72 degrees 55  
13 minutes 42 seconds East, 312.20 feet to a TXDOT monument found;  
14 THENCE continuing along said South line, South 85 degrees 18  
15 minutes 17 seconds East, 600.23 feet to a TXDOT monument found;  
16 THENCE continuing along said South line, North 86 degrees 06  
17 minutes 47 seconds East, 101.08 feet to a TXDOT monument found;  
18 THENCE continuing along said South line, South 85 degrees 19  
19 minutes 44 seconds East, 800.10 feet to a TXDOT monument found;  
20 THENCE continuing along said South line, South 89 degrees 35  
21 minutes 24 seconds East, 247.96 feet to a TXDOT monument found;  
22 THENCE North 05 degrees 59 minutes 08 seconds East, 15.84 feet to a  
23 capped iron rod set stamped "KAZ";  
24 THENCE continuing along said South line, South 84 degrees 16  
25 minutes 38 seconds East, 330.78 feet to a capped iron rod set  
26 stamped "KAZ";  
27 THENCE South 42 degrees 40 minutes 33 seconds East, 147.19 feet to a

1 capped iron rod set stamped "KAZ" in the West line of F.M. 2622;  
2 THENCE along said West line, South 00 degrees 04 minutes 34 seconds  
3 East, 1268.92 feet to a capped iron rod set stamped "KAZ";  
4 THENCE South 45 degrees 24 minutes 27 seconds West, 70.09 feet to a  
5 P.K. nail set in the centerline of George Foster Road;  
6 THENCE along said centerline, North 89 degrees 01 minutes 43  
7 seconds West, 2458.67 feet to a P.K. nail set;  
8 THENCE continuing along said centerline, North 89 degrees 21  
9 minutes 15 seconds West, 2704.05 feet to a 1/2 inch iron rod found;  
10 THENCE North 00 degrees 02 minutes 51 seconds West, 125.54 feet to a  
11 1/2 inch iron rod found;  
12 THENCE continuing along said centerline, part of the way, North 49  
13 degrees 00 minutes 24 seconds West, 1925.59 feet to the PLACE OF  
14 BEGINNING and containing 230.43 acres of land more or less;

15 This description is based upon an exhibit as prepared by KAZ  
16 Surveying, dated \_\_\_\_\_. Bearings are based upon the  
17 West line of the 583.12 acre tract of land.

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

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

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

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

9           SECTION 4. (a) If this Act does not receive a two-thirds  
10 vote of all the members elected to each house, Subchapter C, Chapter  
11 7977, Special District Local Laws Code, as added by Section 1 of  
12 this Act, is amended by adding Section 7977.108 to read as follows:

13           Sec. 7977.108. NO EMINENT DOMAIN POWER. The district may  
14 not exercise the power of eminent domain.

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

18           SECTION 5. 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. 2566 was passed by the House on May 4, 2017, by the following vote: Yeas 140, Nays 3, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2566 was passed by the Senate on May 24, 2017, by the following vote: Yeas 30, Nays 1.

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Secretary of the Senate

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

Date

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Governor