

Chapter 787

H.B. No. 2565

1 AN ACT

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

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

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

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

11 CHAPTER 7973. BIG SKY MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY

12 SUBCHAPTER A. GENERAL PROVISIONS

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

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

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

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

21 (2) Section 52, Article III, Texas Constitution, that
22 relate to the construction, acquisition, improvement, operation,
23 or maintenance of macadamized, graveled, or paved roads, or
24 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.

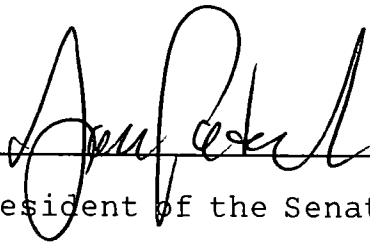
12 (b) This section does not apply to:

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

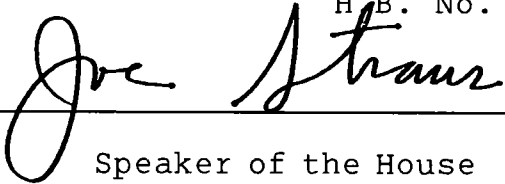
17 (2) an act or proceeding that, under a statute of this
18 state or the United States, was a misdemeanor or felony at the time
19 the act or proceeding occurred.

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.

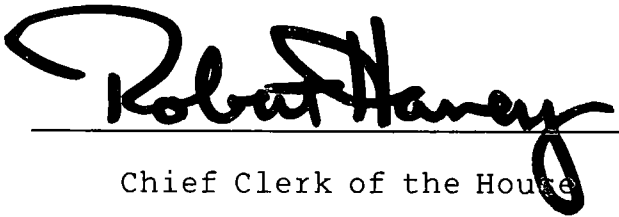


President of the Senate

H.B. No. 2565


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.



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.




Secretary of the Senate

APPROVED: _____
Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:00 PM O'CLOCK

JUN 15 2017


Secretary of State

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 23, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2565 by Stucky (Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Big Sky Municipal Utility District of Denton County. The district would have authority for road projects. The district would have authority to adopt and enforce necessary fees and charges. The district would have authority to issue bonds.

The bill would take effect immediately if the bill receives a two-third vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 11, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB2565** by Stucky (Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.), **As Engrossed**

No fiscal implication to the State is anticipated.

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Local Government Impact

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Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2565 by Stucky (Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Big Sky Municipal Utility District of Denton County. The district would have authority for road projects. The district would have authority to adopt and enforce necessary fees and charges. The district would have authority to issue bonds.

The bill would take effect immediately if the bill receives a two-third vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 14, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2565 by Stucky (Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.), **As Engrossed**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

April 11, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2565 by Stucky (Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ) has determined that:

No Water Development Policy Impact Statement will be prepared for this bill under the provisions of Texas Constitution, Article 16, Section 59(d) as this bill does not create a conservation and reclamation district.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: UP, SZ

Bryan W. Shaw, Ph.D , P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E , *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 30, 2017

The Honorable Joe Straus
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 2565, as Filed by Representative Lynn Stucky - Relating to the powers and duties of the Big Sky Municipal Utility District of Denton County; providing authority to issue bonds and impose fees and taxes.

Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

This bill amends the Special District Local Laws Code by adding Chapter 7973 relating to the Big Sky Municipal Utility District of Denton County (District); the bill specifies that the Chapters 49 and 54, Water Code, apply to the District; the bill grants the District authority for road projects; the bill grants the District authority for firefighting services; and, the bill specifies that 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.

Sincerely,

A handwritten signature in cursive script, reading "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director
Water Supply Division

cc: Honorable Jim Murphy, Chairman, House Special Purpose Districts Committee
Representative Lynn Stucky, Texas House of Representatives



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HOUSTON, TEXAS 77046

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Denton, TX 76202
940-387-3811

Publication(s) Denton Record-Chronicle

PROOF OF PUBLICATION

Being duly sworn (s)he is the Publisher/authorized designee of **Denton Record-Chronicle**, in City of Denton/surrounding areas in Denton County, Newspaper of general circulation which has been continuously and regularly published for a period of not less than one year preceding the date of the attached notice, and that the said notice was published in said newspaper **Denton Record-Chronicle** on the following dates below.

12/22/2016

(signature of Authorized Designee)

Subscribed and sworn to before me
this 22nd day of December by 2016

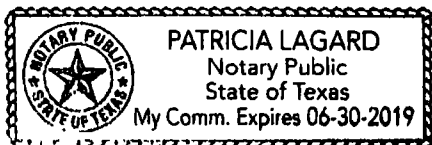
Bill Patterson

(printed name of Designee)

Witness my hand and official seal.

(signature of notary public)

Notary Public, Denton County, Texas



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**NOTICE OF
INTENT TO
INTRODUCE A
BILL**

Pursuant to the Constitution and laws of the State of Texas, notice is hereby given of the intention to apply to the 85th Legislature of the State of Texas at its regular session in Austin, Texas for the introduction of a bill, the substance of the contemplated law being as follows

An act relating to the powers and duties of the Big Sky Municipal Utility District of Denton County, providing authority to issue bonds and impose a tax

The Act proposes to authorize the District to provide for the construction, maintenance and operation of roads and establishment, operation, and maintenance of fire-fighting services

All interested persons will, therefore, take notice of the matters and facts set out in the foregoing statement of the substance of the contemplated laws as required by the Constitution and laws of the State of Texas.

DRC 12/22/2016

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS


HB 2565
Bill Number

TO: The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

3/1/2017

Date transmitted to
Governor's Office


Chief Clerk
House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill

March 3, 2017

Date transmitted to
Texas Commission on Environmental Quality


Governor

TO: The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas


Texas Commission on Environmental Quality

