

Chapter 800

H.B. No. 2987

1 AN ACT

2 relating to the powers and duties of the Denton County Municipal
3 Utility Districts Nos. 4 and 5; providing authority to issue bonds;
4 providing authority to impose assessments, fees, and taxes.

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

6 SECTION 1. Subtitle F, Title 6, Special District Local Laws
7 Code, is amended by adding Chapters 7980 and 7981 to read as
8 follows:

9 CHAPTER 7980. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 4

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 7980.001. DEFINITION. In this chapter, "district"
12 means the Denton County Municipal Utility District No. 4.

13 SUBCHAPTER B. POWERS AND DUTIES

14 Sec. 7980.051. MUNICIPAL UTILITY DISTRICT POWERS AND
15 DUTIES. The district has the powers and duties provided by the
16 general law of this state, including Chapters 49 and 54, Water Code,
17 applicable to municipal utility districts created under Section 59,
18 Article XVI, Texas Constitution.

19 Sec. 7980.052. AUTHORITY FOR ROAD PROJECTS. Under Section
20 52, Article III, Texas Constitution, the district may improve,
21 operate, or maintain any macadamized, graveled, or paved roads in
22 existence on September 1, 2017, or improvements, including storm
23 drainage, in aid of those roads inside the district.

24 Sec. 7980.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road

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

5 (b) If a road project is not located in the corporate limits
6 or extraterritorial jurisdiction of a municipality, the road
7 project must meet all applicable construction standards,
8 subdivision requirements, and regulations of each county in which
9 the road project is located.

10 Sec. 7980.054. ACCEPTANCE OF ROADS. (a) The district by
11 order of the board may accept any road inside the district that has
12 been dedicated by plat or otherwise transferred to the public.

13 (b) On acceptance of the road by the district, the district
14 is considered the owner of the accepted road and shall record
15 ownership of the road in the deed records of Denton County.

16 Sec. 7980.055. ELECTION REQUIRED. The district may not
17 exercise the powers authorized by Section 7980.052 unless approved
18 by a vote of a majority of district voters voting at an election
19 called for that purpose.

20 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

21 Sec. 7980.101. ISSUANCE OF BONDS AND OTHER OBLIGATIONS FOR
22 ROAD PROJECTS PROHIBITED. The district may not issue bonds or other
23 obligations payable wholly or partly from ad valorem taxes, impact
24 fees, revenue, contract payments, grants, or other district money,
25 or any combination of those sources, to pay for a road project
26 authorized by Section 7980.052.

27 CHAPTER 7981. DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

1 SUBCHAPTER A. GENERAL PROVISIONS

2 Sec. 7981.001. DEFINITION. In this chapter, "district"
3 means the Denton County Municipal Utility District No. 5.

4 SUBCHAPTER B. POWERS AND DUTIES

5 Sec. 7981.051. 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. 7981.052. AUTHORITY FOR ROAD PROJECTS. Under Section
11 52, Article III, Texas Constitution, the district may improve,
12 operate, or maintain any macadamized, graveled, or paved roads in
13 existence on September 1, 2017, or improvements, including storm
14 drainage, in aid of those roads inside the district.

15 Sec. 7981.053. ROAD STANDARDS AND REQUIREMENTS. (a) A road
16 project must meet all applicable construction standards, zoning and
17 subdivision requirements, and regulations of each municipality in
18 whose corporate limits or extraterritorial jurisdiction the road
19 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,
23 subdivision requirements, and regulations of each county in which
24 the road project is located.

25 Sec. 7981.054. ACCEPTANCE OF ROADS. (a) The district by
26 order of the board may accept any road inside the district that has
27 been dedicated by plat or otherwise transferred to the public.

1 (b) On acceptance of the road by the district, the district
2 is considered the owner of the accepted road and shall record
3 ownership of the road in the deed records of Denton County.

4 Sec. 7981.055. ELECTION REQUIRED. The district may not
5 exercise the powers authorized by Section 7981.052 unless approved
6 by a vote of a majority of district voters voting at an election
7 called for that purpose.

8 SUBCHAPTER C. BONDS AND OTHER OBLIGATIONS

9 Sec. 7981.101. ISSUANCE OF BONDS AND OTHER OBLIGATIONS FOR
10 ROAD PROJECTS PROHIBITED. The district may not issue bonds or other
11 obligations payable wholly or partly from ad valorem taxes, impact
12 fees, revenue, contract payments, grants, or other district money,
13 or any combination of those sources, to pay for a road project
14 authorized by Section 7981.052.

15 SECTION 2. (a) The legislature validates and confirms all
16 governmental acts and proceedings of the Denton County Municipal
17 Utility Districts Nos. 4 and 5 that were taken before the effective
18 date of this Act.

19 (b) This section does not apply to any matter that on the
20 effective date of this Act:

21 (1) is involved in litigation if the litigation
22 ultimately results in the matter being held invalid by a final court
23 judgment; or

24 (2) has been held invalid by a final court judgment.

25 SECTION 3. (a) The legal notice of the intention to
26 introduce this Act, setting forth the general substance of this
27 Act, has been published as provided by law, and the notice and a

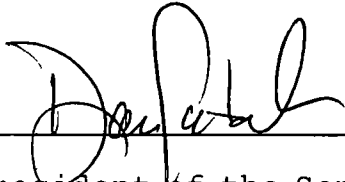
1 copy of this Act have been furnished to all persons, agencies,
2 officials, or entities to which they are required to be furnished
3 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
4 Government Code.

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

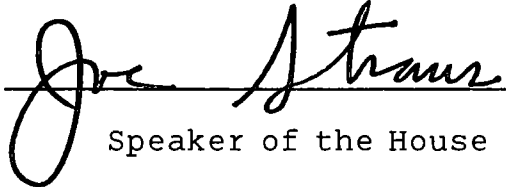
8 (c) The Texas Commission on Environmental Quality has filed
9 its recommendations relating to this Act with the governor, the
10 lieutenant governor, and the speaker of the house of
11 representatives within the required time.

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

16 SECTION 4. This Act takes effect August 1, 2017.

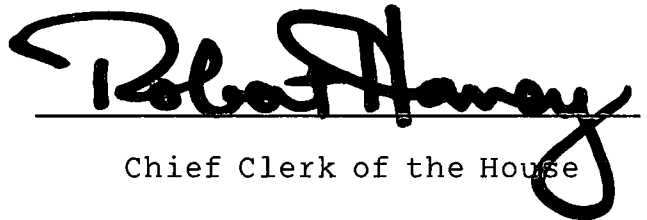


President of the Senate



Speaker of the House

I certify that H.B. No. 2987 was passed by the House on May 19, 2017, by the following vote: Yeas 137, Nays 7, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 2987 was passed by the Senate on May 24, 2017, by the following vote: Yeas 29, Nays 1, 1 present, not voting.




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 22, 2017

TO: Honorable Lois W. Kolkhorst, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2987 by Fallon (Relating to the powers and duties of the Denton County Municipal Utility Districts Nos. 4 and 5; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code expanding the powers of the Denton County Municipal Utility District Nos. 4 and 5. The districts would have authority for road projects.

The bill would take effect August 1, 2017.

Local Government Impact

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

Source Agencies:

LBB Staff: UP, KK, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 3, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2987 by Fallon (Relating to the powers and duties of the Denton County Municipal Utility Districts Nos. 4 and 5; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code expanding the powers of the Denton County Municipal Utility District Nos. 4 and 5. The districts would have authority for road projects.

The bill would take effect August 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

April 28, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2987 by Fallon (Relating to the powers and duties of the Denton County Municipal Utility Districts Nos. 4 and 5; providing authority to issue bonds; providing authority to impose assessments, 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

April 7, 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) 2987, as Filed by Representative Pat Fallon - Relating to the powers and duties of the Denton County Municipal Utility Districts Nos. 4 and 5; providing authority to issue bonds; providing authority to impose assessments, 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 Subtitle F, Title 6, Special District Local Laws Code, by adding Chapter 7980 regarding Denton County Municipal Utility District No. 4 and Chapter 7981 regarding Denton County Municipal Utility District No. 5; this bill adds Chapter 7980 which specifies that Denton County Municipal Utility District No. 4 has the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54. This bill grants Denton County Municipal Utility District No. 4 authority for road powers. This bill specifies that Denton County Municipal Utility District No. 4 may not exercise the powers authorized by Section 7980.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose. The bill specifies that Denton County Municipal Utility District No. 4 may not 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 a road project authorized by Section 7980.052; and, this bill adds Chapter 7981 which specifies that Denton County Municipal Utility District No. 5 has the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54. This bill grants Denton County Municipal Utility District No. 5 authority for road powers. This bill specifies that Denton County Municipal Utility District No. 5 may not exercise the powers authorized by Section 7981.052 unless approved by a vote of a majority of district voters voting at an election called for that purpose. The bill specifies that Denton County Municipal Utility District No. 5 may not issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants,

Hon. Joe Straus
Page 2
April 7, 2017

or other district money, or any combination of those sources, to pay for a road project authorized by Section 7981.052.

Sincerely,

A handwritten signature in black ink that reads "Cari-Michel LaCaille". The signature is written in a cursive style with a large initial "C" and "M".

Cari-Michel LaCaille, Director
Water Supply Division

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

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 2987

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

3/6/2017

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 13, 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



85R HB 02987



MEDIA COMPANY

1100 E. Hickory Street, Denton, TX 76202

314 E. Hickory
P.O. Box 369
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

12/24/2016

[Handwritten Signature]

(signature of Authorized Designee)

Subscribed and sworn to before me
this 27 day of Dec by
2016

[Handwritten Name]

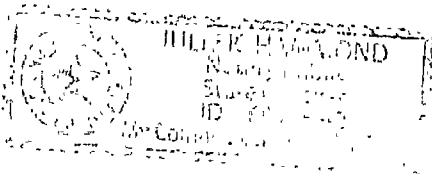
(printed name of Designee)

Witness my hand and official seal:

[Handwritten Signature]

(signature of notary public)

Notary Public, Denton County, Texas



SANFORD KUHL HAGAN KUGLE PARKER KAHN LLP
1980 POST OAK BOULEVARD
SUITE 1380
HOUSTON, TX 77056

Ad Number 0001580352-01 Price. \$35.20

Ad Copy:

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 powers and duties of Denton County Municipal Utility District Nos. 4 and 5; providing authority to improve, operate and maintain existing roads

The Act proposes to authorize the Districts to provide for the improvement, operation, and maintenance of existing roads, subject to approval at an election by the qualified voters in the District

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 12/24/2016