

AN ACT

relating to the creation of the Dallas County Municipal Utility District No. 3; providing authority to impose a tax and issue bonds; granting the power of eminent domain.

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 8141 to read as follows:

CHAPTER 8141. DALLAS COUNTY MUNICIPAL UTILITY DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8141.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Dallas County Municipal Utility District No. 3.

Sec. 8141.002. NATURE OF DISTRICT. The district is a municipal utility district in Dallas County created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution. The district is created to serve a public use and benefit.

Sec. 8141.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held under Section 8141.024 before September 1, 2007:

(1) the district is dissolved September 1, 2007,

1 except that:

2 (A) any debts incurred shall be paid;

3 (B) any assets that remain after the payment of
4 debts shall be transferred to Dallas County; and

5 (C) the organization of the district shall be
6 maintained until all debts are paid and remaining assets are
7 transferred; and

8 (2) this chapter expires September 1, 2010.

9 Sec. 8141.004. INITIAL DISTRICT TERRITORY. (a). The
10 district is initially composed of the territory described by
11 Section 2 of the Act creating this chapter.

12 (b) The boundaries and field notes contained in Section 2 of
13 the Act creating this chapter form a closure. A mistake made in the
14 field notes or in copying the field notes in the legislative process
15 does not affect:

16 (1) the organization, existence, or validity of the
17 district;

18 (2) the right of the district to impose taxes; or

19 (3) the legality or operation of the board.

20 [Sections 8141.005-8141.020 reserved for expansion]

21 SUBCHAPTER A1. TEMPORARY PROVISIONS

22 Sec. 8141.021. TEMPORARY DIRECTORS. (a) The temporary
23 board consists of:

24 (1) David Alan Bunch;

25 (2) Douglas Lee Bynum;

26 (3) Brent Turner Huddleston;

27 (4) Timothy Michael Mueller; and

1 (5) Tobin Douglas Tewell.

2 (b) If a temporary director fails to qualify for office, the
3 temporary directors who have qualified shall appoint a person to
4 fill the vacancy. If at any time there are fewer than three
5 qualified temporary directors, the Texas Commission on
6 Environmental Quality shall appoint the necessary number of persons
7 to fill all vacancies on the board.

8 (c) Temporary directors serve until the earlier of:

9 (1) the date directors are elected under Section
10 8141.024; or

11 (2) the date this chapter expires under Section
12 8141.003.

13 Sec. 8141.022. ORGANIZATIONAL MEETING OF TEMPORARY
14 DIRECTORS. As soon as practicable after all the temporary
15 directors have qualified under Section 49.055, Water Code, the
16 temporary directors shall convene the organizational meeting of the
17 district at a location in the district agreeable to a majority of
18 the directors. If a location cannot be agreed upon, the
19 organizational meeting shall be at the Dallas County Courthouse.

20 Sec. 8141.023. CONSENT OF MUNICIPALITY REQUIRED. The
21 temporary directors may not hold an election under Section 8141.024
22 until each municipality in whose corporate limits or
23 extraterritorial jurisdiction the district is located has adopted a
24 resolution consenting to the creation of the district.

25 Sec. 8141.024. CONFIRMATION AND INITIAL DIRECTORS'
26 ELECTION. If the requirements of Section 8141.023 have been met,
27 the temporary directors shall hold an election to confirm the

1 creation of the district and to elect five directors as provided by
2 Section 49.102, Water Code.

3 Sec. 8141.025. INITIAL ELECTED DIRECTORS; TERMS. The
4 directors elected under Section 8141.024 shall draw lots to
5 determine which two shall serve until the first regularly scheduled
6 election of directors under Section 8141.052 and which three shall
7 serve until the second regularly scheduled election of directors.

8 Sec. 8141.026. EXPIRATION OF SUBCHAPTER. This subchapter
9 expires September 1, 2010.

10 [Sections 8141.027-8141.050 reserved for expansion]

11 SUBCHAPTER B. BOARD OF DIRECTORS

12 Sec. 8141.051. DIRECTORS; TERMS. (a) The district is
13 governed by a board of five directors.

14 (b) Directors serve staggered four-year terms.

15 Sec. 8141.052. ELECTION OF DIRECTORS. On the uniform
16 election date in May of each even-numbered year, the appropriate
17 number of directors shall be elected.

18 [Sections 8141.053-8141.100 reserved for expansion]

19 SUBCHAPTER C. POWERS AND DUTIES

20 Sec. 8141.101. MUNICIPAL UTILITY DISTRICT POWERS AND
21 DUTIES. The district has the powers and duties provided by the
22 general law of this state, including Chapters 49 and 54, Water Code,
23 applicable to municipal utility districts created under Section 59,
24 Article XVI, Texas Constitution.

25 Sec. 8141.102. ROAD PROJECTS. (a) The district may
26 construct, acquire, improve, maintain, or operate macadamized,
27 graveled, or paved roads or turnpikes, or improvements in aid of

1 those roads or turnpikes, inside the district.

2 (b) A road project must meet or exceed all applicable
3 construction standards, zoning and subdivision requirements, and
4 regulatory ordinances of each municipality in whose corporate
5 limits or extraterritorial jurisdiction the district is located.
6 If the district is located outside the extraterritorial
7 jurisdiction of a municipality, a road project must meet or exceed
8 all applicable construction standards, zoning and subdivision
9 requirements, and regulatory ordinances of each county in which the
10 district is located.

11 (c) The district may not undertake a road project unless
12 each municipality in whose corporate limits or extraterritorial
13 jurisdiction the district is located consents by ordinance or
14 resolution. If the district is located outside the
15 extraterritorial jurisdiction of a municipality, the district may
16 not undertake a road project unless each county in which the
17 district is located consents by ordinance or resolution.

18 Sec. 8141.103. ROAD CONTRACTS. The district may contract
19 for a road project in the manner provided by Subchapter I, Chapter
20 49, Water Code.

21 Sec. 8141.104. WATER CONTROL AND STORAGE PROJECTS. (a) The
22 district may construct, acquire, improve, or maintain dams,
23 embankments, reservoirs, lakes, or other improvements as necessary
24 to control, store, or preserve water in the district for any useful
25 purpose.

26 (b) The district may overflow and inundate district lands
27 and other district property in the district.

1 (c) A project authorized by this section is subject to all
2 applicable permitting and regulatory requirements.

3 Sec. 8141.105. CERTIFICATE OF CONVENIENCE AND NECESSITY.

4 (a) The district may pay out of bond proceeds or other available
5 district money all expenses, including legal, engineering, and
6 surveying fees, related to obtaining a new certificate of
7 convenience and necessity under Chapter 13, Water Code, authorizing
8 the district to provide retail water or sewer service inside or
9 outside the district.

10 (b) The district may pay out of bond proceeds or other
11 available district money all expenses, including the purchase
12 price, related to acquiring certificate of convenience and
13 necessity rights from another retail public utility to allow the
14 district to provide retail water or sewer service in the district.

15 Sec. 8141.106. CONTRACT WITH POLITICAL SUBDIVISION FOR
16 WATER OR SEWER SERVICES. (a) The district may enter into a
17 contract to allow a political subdivision to provide retail water
18 or sewer service in the district. The contract may contain terms
19 the board considers desirable, fair, and advantageous to the
20 district.

21 (b) The contract may provide that the district will
22 construct or acquire and convey to the political subdivision a
23 water supply or treatment system, a water distribution system, or a
24 sanitary sewage collection or treatment system, as necessary to
25 provide water or sewer service in the district.

26 (c) The district may use bond proceeds or other available
27 district money to pay for its obligations and for services and

1 facilities provided under the contract.

2 (d) If the contract requires the district to make payments
3 from taxes other than operation and maintenance taxes, the contract
4 is subject to Section 49.108, Water Code.

5 [Sections 8141.107-8141.150 reserved for expansion]

6 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7 Sec. 8141.151. OPERATION AND MAINTENANCE TAX. (a) The
8 district may impose a tax for any district operation and
9 maintenance purpose in the manner provided by Section 49.107, Water
10 Code.

11 (b) Section 49.107(f), Water Code, does not apply to
12 reimbursements for projects constructed or acquired under Section
13 8141.102.

14 Sec. 8141.152. TAX TO REPAY BONDS. The district may impose
15 a tax to pay the principal of and interest on bonds issued under
16 Section 8141.201.

17 Sec. 8141.153. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND
18 ASSESSMENTS. The district may not impose an impact fee or
19 assessment on the property, including the equipment,
20 rights-of-way, facilities, or improvements, of:

21 (1) an electric utility or a power generation company
22 as defined by Section 31.002, Utilities Code;

23 (2) a gas utility as defined by Section 101.003 or
24 121.001, Utilities Code;

25 (3) a telecommunications provider as defined by
26 Section 51.002, Utilities Code;

27 (4) a cable operator as defined by 47 U.S.C. Section

1 522; or

2 (5) a person who provides to the public advanced
3 telecommunications services.

4 [Sections 8141.154-8141.200 reserved for expansion]

5 SUBCHAPTER E. BONDS

6 Sec. 8141.201. AUTHORITY TO ISSUE BONDS AND OTHER
7 OBLIGATIONS; TAX. (a) The district may issue bonds or other
8 obligations as provided by Chapters 49 and 54, Water Code, and to
9 finance:

10 (1) the construction, maintenance, or operation of
11 projects under Sections 8141.102 and 8141.104; or

12 (2) the district's contractual obligations under
13 Section 8141.106.

14 (b) The district may issue bonds or other obligations
15 payable wholly or partly from ad valorem taxes, impact fees,
16 revenue, grants, or other district money or any combination of
17 those sources.

18 (c) The district may not issue bonds or other obligations
19 secured wholly or partly by ad valorem taxation to finance projects
20 authorized by Section 8141.102 unless the issuance is approved by a
21 vote of a two-thirds majority of the voters of the district voting
22 at an election called for that purpose.

23 (d) Bonds or other obligations issued or incurred to finance
24 projects authorized by Section 8141.102 may not exceed one-fourth
25 of the assessed value of the real property in the district.

26 (e) Sections 49.181 and 49.182, Water Code, do not apply to
27 a project undertaken by the district under Section 8141.102 or to

1 bonds issued by the district to finance the project.

2 [Sections 8141.202-8141.250 reserved for expansion]

3 SUBCHAPTER F. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

4 Sec. 8141.251. DIVISION OF DISTRICT; REQUIREMENTS. (a) At
5 any time before the district issues indebtedness secured by taxes
6 or net revenues, the district, including any annexed territory, may
7 be divided into two or more new districts.

8 (b) A new district created by division of the district must
9 be at least 100 acres.

10 (c) The board may consider a proposal to divide the district
11 on:

12 (1) a petition of a landowner in the district; or

13 (2) a motion by the board.

14 (d) If the board decides to divide the district, the board
15 shall:

16 (1) set the terms of the division, including names for
17 the new districts and a plan for the payment or performance of any
18 outstanding district obligations; and

19 (2) prepare a metes and bounds description for each
20 proposed district.

21 Sec. 8141.252. ELECTION FOR DIVISION OF DISTRICT. (a)
22 After the board has complied with Section 8141.251(d), the board
23 shall hold an election in the district to determine whether the
24 district should be divided as proposed.

25 (b) The board shall give notice of the election not later
26 than the 35th day before the date of the election. The notice must
27 state:

1 (1) the date and location of the election; and

2 (2) the proposition to be voted on.

3 (c) If a majority of the votes cast are in favor of the
4 division:

5 (1) the district shall be divided; and

6 (2) not later than the 30th day after the date of the
7 election, the district shall provide written notice of the division
8 to:

9 (A) the Texas Commission on Environmental
10 Quality;

11 (B) the attorney general;

12 (C) the commissioners court of each county in
13 which a new district is located; and

14 (D) any municipality having extraterritorial
15 jurisdiction over territory in each new district.

16 (d) If a majority of the votes cast are not in favor of the
17 division, the district may not be divided.

18 Sec. 8141.253. ELECTION OF DIRECTORS OF NEW DISTRICTS. (a)
19 Not later than the 90th day after the date of an election in favor of
20 the division of the district, the board shall:

21 (1) appoint itself as the board of one of the new
22 districts; and

23 (2) appoint five directors for each of the other new
24 districts.

25 (b) Directors appointed under Subsection (a)(1) serve the
26 staggered terms to which they were elected in the original
27 district. Directors appointed under Subsection (a)(2) serve until

1 the election for directors under Subsection (c).

2 (c) On the uniform election date in May of the first
3 even-numbered year after the year in which the directors are
4 appointed, an election shall be held to elect five directors in each
5 district for which directors were appointed under Subsection
6 (a)(2). The directors shall draw lots to determine which two shall
7 serve two-year terms and which three shall serve four-year terms.

8 (d) Except as provided by Subsection (c), directors serve
9 staggered four-year terms. On the uniform election date in May of
10 each even-numbered year, the appropriate number of directors shall
11 be elected.

12 Sec. 8141.254. CONTINUING POWERS AND OBLIGATIONS OF NEW
13 DISTRICTS. (a) Each new district may incur and pay debts and has
14 all powers of the original district created by this chapter.

15 (b) If the district is divided as provided by this
16 subchapter, the current obligations and any bond authorizations of
17 the district are not impaired. Debts shall be paid by revenues or
18 by taxes or assessments imposed on real property in the district as
19 if the district had not been divided or by contributions from each
20 new district as stated in the terms set by the board under Section
21 8141.251(d).

22 (c) Any other district obligation shall be divided pro rata
23 among the new districts on an acreage basis or on other terms that
24 are satisfactory to the new districts.

25 Sec. 8141.255. CONTRACT AUTHORITY OF NEW DISTRICTS. The
26 new districts may contract with each other for:

27 (1) water and wastewater services; or

1 (2) any other matter the boards of the new districts
2 consider appropriate.

3 SECTION 2. The Dallas County Municipal Utility District No.
4 3 initially includes all the territory contained in the following
5 described area:

6 Being a 320.42 acre tract of land lying and being situated in
7 the G.W. Scott Survey, Abstract 1273, and the Robert Sloan Survey,
8 Abstract 1271, Dallas County, Texas, and being a portion of the
9 tract of land conveyed to Hemyari Kourosh according to the deed
10 filed of record in Volume 2000173, Page 3869, Deed Records of Dallas
11 County, Texas:

12 Beginning at a point in the most easterly line of the said
13 Kourosh tract, from which the most northeasterly corner of said
14 Kourosh tract bears North 33° 30' 49" west, a distance of 594.73
15 feet;

16 Thence South 33°30'49" East, a distance of 734.38 feet to a point;

17 Thence North 61°23'35" East, a distance of 290.61 feet to a point;

18 Thence South 30°24'29" East, a distance of 1492.63 feet to a point;

19 Thence South 30°22'42" East, a distance of 2122.82 feet to a point in
20 the north line of Pleasant Run Road;

21 Thence South 59°40'41" West, along the north line of said road, a
22 distance of 432.63 feet to a point;

23 Thence North 28°12'39" West, a distance of 1044.73 feet to a point;

24 Thence South 59°29'32" West, a distance of 3517.87 feet to a point;

25 Thence North 28°52'54" West, a distance of 1086.51 feet to a point;

26 Thence South 59°33'45" West, a distance of 2820.16 feet to a point;

27 Thence North 30°39'30" West, a distance of 319.83 feet to a point,

1 and the beginning of a curve to the left;
2 Thence along said curve having a radius of 2740.00 feet, a chord
3 bearing of North 22°27'37" East, a chord length of 1441.59 feet, and
4 an arc length of 1458.76 feet, to a point;
5 Thence North 60°03'47" East, a distance of 1923.47 feet to a point,
6 and the beginning of a curve to the left;
7 Thence along said curve having a radius of 2740.00 feet, a chord
8 bearing of North 33°34'54" East, a chord length of 2443.57 feet, and
9 an arc length of 2532.79 feet, to a point;
10 Thence North 60°10'01" East, a distance of 1105.17 feet to the POINT
11 OF BEGINNING, and containing 320.42 acres of land, more or less.

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

19 (b) The governor, one of the required recipients, has
20 submitted the notice and Act to the Texas Commission on
21 Environmental Quality.

22 (c) The Texas Commission on Environmental Quality has filed
23 its recommendations relating to this Act with the governor, the
24 lieutenant governor, and the speaker of the house of
25 representatives within the required time.

26 (d) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with respect

1 to the notice, introduction, and passage of this Act are fulfilled
2 and accomplished.

3 SECTION 4. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2005.

David Newkum

President of the Senate

Tom Cradick

Speaker of the House

I certify that H.B. No. 3574 was passed by the House on May 20, 2005, by the following vote: Yeas 139, Nays 0, 2 present, not voting.

Robert Haney
Chief Clerk of the House

I certify that H.B. No. 3574 was passed by the Senate on May 24, 2005, by the following vote: Yeas 31, Nays 0.

Patsy Graw
Secretary of the Senate

APPROVED:

17 JUNE 05

Date

Rick Perry

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

2:10 PM O'CLOCK

Roger Williams
Secretary of State