(b) A parking facility of the district may be leased to, or operated for the district by, an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution. The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Sec. 3829.253. RULES. The district may adopt rules covering its public transit system or its public parking facilities.

Sec. 3829.254. FINANCING OF PUBLIC TRANSIT SYSTEM OR PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees for the use of the public transit system or public parking facilities; and

(2) issue bonds or notes to finance the cost of the public transit system or public parking facilities.

SECTION 8. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

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

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

(d) The general law relating to consent by political subdivisions to the creation of districts with conservation, reclamation, and road powers and the inclusion of land in those districts has been complied with.

(e) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.

SECTION 9. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

Passed by the House on May 5, 2009: Yeas 144, Nays 0, 1 present, not voting; the House concurred in Senate amendments to H.B. No. 4727 on May 29, 2009: Yeas 143, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May 26, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.


CHAPTER 1071

H.B. No. 4737

AN ACT
relating to the creation of the Lake Texoma Municipal Utility District No. 1; providing authority to impose a tax or assessment and issue bonds; granting a limited power of eminent domain.

Be it enacted by the Legislature of the State of Texas:

2773
SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8359 to read as follows:

CHAPTER 8359. LAKE TEXOMA MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8359.001. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "Director" means a board member.
(3) "District" means the Lake Texoma Municipal Utility District No. 1.

Sec. 8359.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8359.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. (a) The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.
(b) The temporary directors of any new district created under Section 8359.108 may not hold an election under Subsection (a) until the earlier of:
(1) the date the land in the new district has been annexed by the City of Denison; or
(2) not later than the 180th day after the date the City of Denison receives a written petition from a landowner requesting annexation that the city does not grant.
(c) The petition described by Subsection (b) must:
(1) request annexation of land that is contiguous with a boundary of the City of Denison;
(2) include all the land in the new district;
(3) include land covered by the development agreement executed under Section 8359.004;
(4) include the landowner's consent to abide by the comprehensive land use plan and development regulations as defined in the development agreement; and
(5) if the development agreement for the land included in the new district expires before a new district is created under Section 8359.108, include the landowner's consent to reinstate the comprehensive land use plan and development regulations defined in the expired development agreement.

Sec. 8359.004. DEVELOPMENT AGREEMENT REQUIRED. The temporary directors may not hold an election under Section 8359.003 until the City of Denison and the owners of the land to be covered by a development agreement that covers all or part of the land in the district enter into the development agreement under Chapter 212, Local Government Code.

Sec. 8359.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and under this chapter.
(c) 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.

Sec. 8359.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.
(b) The boundaries and field notes contained in Section 2 of the Act creating this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's...
(1) organization, existence, or validity;
(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
(3) right to impose a tax or assessment; or
(4) legality or operation.

Sec. 8359.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT RE-INVESTMENT ZONE. (a) All or any part of the district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.

(b) If the City of Denison creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Denison and the board of directors of the zone, by contract with the district, may grant money to the district to be used for a permissible purpose of a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for a bond issued by the district.

[Sections 8359.008–8359.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8359.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8359.052, directors serve staggered four-year terms.

Sec. 8359.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:
(1) Ben Munson;
(2) Gifford Jackson;
(3) Robert Vaughn;
(4) Denice Lucas; and
(5) Patrick O'Toole.
(b) Temporary directors serve until the earlier of:
(1) the date permanent directors are elected under Section 8359.003; or
(2) September 1, 2013.
(c) If permanent directors have not been elected under Section 8359.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:
(1) the date permanent directors are elected under Section 8359.003; or
(2) the fourth anniversary of the date of the appointment or reappointment.
(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 8359.053–8359.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8359.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8359.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 39, Article XVI, Texas Constitution.
Sec. 8359.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8359.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 8359.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of an ordinance or resolution adopted by the City of Denison in accordance with Section 54.016 or 54.0165, Water Code, that consents to the creation of the district or to the inclusion of land in the district. The ordinance or resolution of the City of Denison consenting to the creation of the district may limit the amount of the district's bonds and tax rate.

(b) The ordinance or resolution of the City of Denison consenting to the inclusion of additional land in the district may be conditioned on the additional land being covered by the development agreement executed under Section 8359.004.

(c) The consent ordinance or resolution of the City of Denison may not impose a restriction or condition not expressly provided under Section 54.016(f), Water Code, on a new district created under Section 8359.108 or on the inclusion of land in the new district. A restriction or condition on the creation of a new district under Section 8359.108 or the inclusion of land in a new district may not:

(1) limit the amount of the new district's bonds or tax rate; or

(2) restrict the purposes authorized by this chapter for which the new district may issue bonds.

Sec. 8359.106. ANNEXATION. (a) Before the district holds an election under Section 8359.003, the district may annex:

(1) without the consent of the City of Denison, land previously owned by the United States Army Corps of Engineers; or

(2) in accordance with Section 54.016, Water Code, land located in the extraterritorial jurisdiction or corporate limits of the City of Denison if the City of Denison has consented by ordinance or resolution to the annexation.

(b) The district may not annex land located outside the corporate limits and extraterritorial jurisdiction of the City of Denison.

Sec. 8359.107. EFFECT OF ANNEXATION BY CITY OF DENISON. (a) The City of Denison may annex part of the district into its corporate limits without annexing the entire district under the terms of a development agreement executed under Section 8359.004, between the City of Denison and the owners of the land in the district that is covered by the development agreement. If a development agreement is not executed under Section 8359.004 or the agreement has expired, nothing in this chapter limits the right of the City of Denison to annex the district.

(b) If the City of Denison annexes all or part of the district into its corporate limits:

(1) the district is not dissolved;

(2) the ability of the district to issue bonds is not impaired or precluded; and

(3) unless otherwise approved by the board and the governing body of the City of Denison, the city:

(A) may not take over the property or other assets of the district.
may not assume any debts, liabilities, or other obligations of the district;
(C) is not obligated to perform any functions of the district; and
(D) is not obligated to pay a landowner or developer for expenses incurred by the
landowner or developer in connection with the district that would otherwise be eligible
for reimbursement from the proceeds of bonds issued by the district.

(c) Notwithstanding Section 54.016(j)(2), Water Code, an allocation agreement between the
City of Denison and the district that provides for the allocation of the taxes or revenues of
the district and the city following the date of inclusion of all the district's territory in the
corporate limits of the city may provide that the total annual ad valorem taxes collected by
the city and the district from taxable property in the district may exceed the city's ad
valorem tax on that property.

Sec. 8359.108. DIVISION OF DISTRICT. (a) The district may be divided into two or
more new districts only if the district:
(1) has no outstanding bonded debt; and
(2) is not imposing ad valorem taxes.
(b) This chapter applies to any new district created by the division of the district, and a
new district has all the powers and duties of the district.
(c) Any new district created by the division of the district may, at the time the new district
is created, contain only:
(1) land within the area described by Section 2 of the Act creating this chapter;
(2) any land previously owned by the United States Army Corps of Engineers; and
(3) any land adjacent to the area described by Section 2 of the Act creating this chapter
if that adjacent land is within the extraterritorial jurisdiction of the City of Denison and
if that adjacent land has been approved for inclusion in the district under the consent
ordinance or resolution adopted by the City of Denison under Section 8359.105.
(d) The board, on its own motion or on receipt of a petition signed by the owner or owners
of a majority of the assessed value of the real property in the district, may adopt an order
dividing the district.
(e) The board may adopt an order dividing the district only after the date the board holds
an election under Section 8359.003 to confirm the district's creation.
(f) An order dividing the district must:
(1) name each new district;
(2) include the metes and bounds description of the territory of each new district;
(3) appoint temporary directors for each new district; and
(4) provide for the division of assets and liabilities between or among the new districts.
(g) On or before the 30th day after the date of adoption of an order dividing the district,
the district shall file the order with the Texas Commission on Environmental Quality and
record the order in the real property records of each county in which the district is located.
(h) Any new district created by the division of the district shall hold a confirmation and
directors' election as required by Section 8359.003.
(i) Municipal consent by the City of Denison is not required for the creation of any new
district created under this section.
(j) Any new district created by the division of the district must hold an election as
required by this chapter to obtain voter approval before the district may impose a mainte-
nance tax or issue bonds payable wholly or partly from ad valorem taxes.
(k) If the voters of a new district do not confirm the creation of the new district, the assets,
obligations, territory, and governance of the new district revert to that of the original district.

Sec. 8359.109. DISSOLUTION OF DISTRICT. The district may be dissolved by ordi-
nance or resolution of the governing body of the City of Denison after the date on which at
least 95 percent of the infrastructure authorized by this chapter and the Water Code to serve
full development in the district has been completed. On dissolution, the City of Denison
shall:
(1) take over the property and other assets of the district;
(2) assume all debts, liabilities, or other obligations of the district;
(3) perform the functions of the district; and
(4) pay any landowner or developer for costs and expenses incurred by the landowner or developer in connection with the district that would otherwise be eligible for reimbursement from the proceeds of bonds issued by the district.

Sec. 8359.110. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:
(1) a road project authorized by Section 8359.103; or
(2) a recreational facility as defined by Section 49.462, Water Code.

[Sections 8359.111—8359.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8359.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
(1) revenue other than ad valorem taxes; or
(2) contract payments described by Section 8359.153.

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

(c) 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.

Sec. 8359.152. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8359.151, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

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

Sec. 8359.153. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

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

[Sections 8359.154—8359.200 reserved for expansion]

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

Sec. 8359.201. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, revenue from a tax increment reinvestment zone created under Chapter 311, Tax Code, revenue from economic development agreements under Chapter 380, Local Government Code, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8359.202. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
Sec. 8359.203. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. The Lake Texoma Municipal Utility District No. 1 initially includes all the territory contained in the following area:


Beginning at a point for the most Southerly Southeast corner of the herein described tract the intersection of the East line of the said Cox Survey with the North right-of-way line of F.M. Highway No. 406;

Thence Westerly with said North right-of-way line as follows:
North 44°00'30" West, a distance of 76.92 feet;
Northwesterly with a curve to the left having a radius of 1,517.39 feet (chord bears North 57°12'58" West, 449.54 feet) an arc distance of 451.20 feet;
North 01°57'58" East, a distance of 20.01 feet;
North 87°02'56" West, a distance of 53.63 feet;
Westly with a non-tangent curve to the left having a radius of 1,517.39 feet (chord bears North 77°32'25" West, 507.89 feet) an arc distance of 510.29 feet;
North 87°34'14" West, a distance of 724.69 feet;
North 87°42'32" West, a distance of 215.02 feet;
North 88°14'34" West, a distance of 199.86 feet;
North 75°33'45" West, a distance of 206.00 feet;
North 88°14'34" West, a distance of 200.00 feet;
South 84°37'56" West, a distance of 201.56 feet;
North 88°14'34" West, a distance of 338.31 feet;
North 87°02'49" West, a distance of 314.69 feet;
North 77°52'42" West, a distance of 41.24 feet to the intersection of said North right-of-way line with the East line of the USA property embracing City of Denison;

Thence with the USA boundary as follows:
North 00°04'03" East, a distance of 1,381.78 feet;
North 89°53'11" East, a distance of 650.19 feet;
North 00°07'15" East, a distance of 1,949.53 feet;
South 89°51'06" East, a distance of 840.00 feet;
North 00°03'31" East, a distance of 850.00 feet;
North 89°57'20" West, a distance of 500.00 feet;
North 00°00'29" East, a distance of 1,067.78 feet;
North 00°00'44" West, a distance of 1,530.00 feet;
North 89°59'16" East, a distance of 800.00 feet;
North 00°00'44" West, a distance of 1,099.40 feet;
South 87°26'08" East, a distance of 4,441.44 feet;
North 01°25'48" East, a distance of 1,465.32 feet;
North 87°08'00" West, a distance of 2,370.30 feet;
North 10°19'33" East, a distance of 1,184.67 feet;
North 86°06'49" West, a distance of 1,106.58 feet;
North 02°02'54" East, a distance of 969.85 feet;
North 86°15'15" West, a distance of 425.41 feet;
North 03°32'53" East, a distance of 1,251.67 feet;
North 88°27'30" East, a distance of 2,465.88 feet;
North 01°45'27" East, a distance of 1,293.09 feet;
South 87°21'00" East, a distance of 125.56 feet;
North 00°00'56" East, a distance of 788.69 feet;
North 89°58'45" West, a distance of 1,280.23 feet;
North 00°01'20" East, a distance of 1,029.44 feet;
South 89°56'44" West, a distance of 537.47 feet;
North 01°13'40" East, a distance of 355.69 feet;
South 89°52'44" West, a distance of 463.09 feet;
North 00°07'06" East, a distance of 850.09 feet;
South 89°54'25" East, a distance of 821.96 feet;
North 00°03'52" West, a distance of 872.97 feet;
North 89°59'31" East, a distance of 750.35 feet;
South 00°14'40" East, a distance of 1,000.21 feet;
North 89°55'46" East, a distance of 980.28 feet;
North 00°12'25" West, a distance of 1,450.28 feet;
South 89°50'21" East, a distance of 515.07 feet;
North 00°04'55" East, a distance of 449.79 feet;
North 89°56'16" East, a distance of 694.55 feet;
South 03°06'32" West, a distance of 3,023.73 feet;
South 87°37'57" East, a distance of 1,030.28 feet;
South 03°04'54" West, a distance of 920.08 feet;
South 87°38'30" East, a distance of 86.17 feet;
South 02°59'45" West, a distance of 411.56 feet;
Thence South 87°01'15" East, passing a USA property corner, departing said USA boundary and continuing for a total distance of 512.48 feet;
Thence South 01°34'09" West, a distance of 49.43 feet;
Thence South 10°45'31" East, a distance of 64.75 feet;
Thence North 46°17'19" East, a distance of 86.01 feet;
Thence North 43°42'41" West, a distance of 23.21 feet;
Thence North 01°31'40" East, a distance of 33.82 feet;
Thence South 87°01'15" East, a distance of 939.51 feet to a corner in the West right-of-way line of State Highway No. 84;
Thence in Southerly direction with said West right-of-way line and a non-tangent curve to the right having a radius of 5,679.58 feet (chord bears South 01°50'38" East, 179.72 feet) an arc distance of 179.73 feet;

Thence South 00°56'14" East, a distance of 2,744.58 feet to the intersection of said West right-of-way line with the North line of a 30 foot wide strip of land;

Thence with the boundary of said strip of land as follows:
South 78°43'18" West, a distance of 476.49 feet;
North 08°55'55" West, a distance of 184.27 feet;
North 87°59'26" West, a distance of 768.80 feet;
South 02°52'06" West, a distance of 30.00 feet;
South 87°59'26" East, a distance of 744.49 feet;
South 08°55'55" East, a distance of 190.77 feet;

North 78°43'18" East, a distance of 502.27 feet to the intersection of the South line of said strip of land with the said West right-of-way line of Highway No. 84;

Thence continuing with said West right-of-way line as follows:
South 00°56'14" East, a distance of 429.67 feet;
Southerly with a curve to the left having a radius of 2,914.79 feet (chord bears South 08°27'14" East, 762.59 feet), an arc distance of 764.79 feet;
South 15°58'14 " East, a distance of 3,853.45 feet;

Thence departing said West right-of-way line and continuing as follows:
South 01°12'38" West, a distance of 499.66 feet;
North 87°44'23" West, a distance of 2,445.14 feet;
South 01°58'12 " West, a distance of 1,215.19 feet;
South 01°35'30" West, a distance of 1,643.46 feet;
South 01°46'06 " West, a distance of 2,228.41 feet;
North 88°02'55" West, a distance of 3,103.33 feet;
South 01°42'59 " West, a distance of 1,738.89 feet to the Point of Beginning and containing approximately 2,272.6 acres of land.

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

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

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

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

SECTION 4. This Act takes effect September 1, 2009.

Passed by the House on May 15, 2009: Yeas 144, Nays 0, 1 present, not voting; passed by the Senate on May 27, 2009: Yeas 31, Nays 0.

Approved June 19, 2009.

Effective September 1, 2009.