

AN ACT

relating to the creation of the Sterrett Road Municipal Management District; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3959 to read as follows:

CHAPTER 3959. STERRETT ROAD MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3959.0001. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Waxahachie.

(3) "Director" means a board member.

(4) "District" means the Sterrett Road Municipal Management District.

Sec. 3959.0002. NATURE OF DISTRICT. The Sterrett Road Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3959.0003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter.

(b) By creating the district and in authorizing the city and

1 other political subdivisions to contract with the district, the
2 legislature has established a program to accomplish the public
3 purposes set out in Section 52-a, Article III, Texas Constitution.

4 (c) The creation of the district is necessary to promote,
5 develop, encourage, and maintain employment, commerce,
6 transportation, housing, tourism, recreation, the arts,
7 entertainment, economic development, safety, and the public
8 welfare in the district.

9 (d) This chapter and the creation of the district may not be
10 interpreted to relieve the city from providing the level of
11 services provided as of the effective date of the Act enacting this
12 chapter to the area in the district. The district is created to
13 supplement and not to supplant city services provided in the
14 district.

15 Sec. 3959.0004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

16 (a) All land and other property included in the district will
17 benefit from the improvements and services to be provided by the
18 district under powers conferred by Sections 52 and 52-a, Article
19 III, and Section 59, Article XVI, Texas Constitution, and other
20 powers granted under this chapter.

21 (b) The district is created to serve a public use and
22 benefit.

23 (c) The creation of the district is in the public interest
24 and is essential to further the public purposes of:

25 (1) developing and diversifying the economy of the
26 state;

27 (2) eliminating unemployment and underemployment; and

1 (3) developing or expanding transportation and
2 commerce.

3 (d) The district will:

4 (1) promote the health, safety, and general welfare of
5 residents, employers, potential employees, employees, visitors,
6 and consumers in the district, and of the public;

7 (2) provide needed funding for the district to
8 preserve, maintain, and enhance the economic health and vitality of
9 the district territory as a community and business center;

10 (3) promote the health, safety, welfare, and enjoyment
11 of the public by providing pedestrian ways and by landscaping and
12 developing certain areas in the district, which are necessary for
13 the restoration, preservation, and enhancement of scenic beauty;
14 and

15 (4) provide for water, wastewater, drainage, road, and
16 recreational facilities for the district.

17 (e) Pedestrian ways along or across a street, whether at
18 grade or above or below the surface, and street lighting, street
19 landscaping, parking, and street art objects are parts of and
20 necessary components of a street and are considered to be a street
21 or road improvement.

22 (f) The district will not act as the agent or
23 instrumentality of any private interest even though the district
24 will benefit many private interests as well as the public.

25 Sec. 3959.0005. INITIAL DISTRICT TERRITORY. (a) The
26 district is initially composed of the territory described by
27 Section 2 of the Act enacting this chapter.

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

5 (1) organization, existence, or validity;

6 (2) right to issue any type of bonds for the purposes
7 for which the district is created or to pay the principal of and
8 interest on the bonds;

9 (3) right to impose or collect an assessment or tax; or

10 (4) legality or operation.

11 Sec. 3959.0006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

12 All or any part of the area of the district is eligible to be
13 included in:

14 (1) a tax increment reinvestment zone created under
15 Chapter 311, Tax Code; or

16 (2) a tax abatement reinvestment zone created under
17 Chapter 312, Tax Code.

18 Sec. 3959.0007. APPLICABILITY OF MUNICIPAL MANAGEMENT
19 DISTRICTS LAW. Except as otherwise provided by this chapter,
20 Chapter 375, Local Government Code, applies to the district.

21 Sec. 3959.0008. CONSTRUCTION OF CHAPTER. This chapter
22 shall be liberally construed in conformity with the findings and
23 purposes stated in this chapter.

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 3959.0051. GOVERNING BODY; TERMS. (a) The district is
26 governed by a board of five elected directors who serve staggered
27 terms of four years.

1 (b) Directors are elected in the manner provided by
2 Subchapter D, Chapter 49, Water Code.

3 Sec. 3959.0052. COMPENSATION; EXPENSES. (a) The district
4 may compensate each director in an amount not to exceed \$150 for
5 each board meeting. The total amount of compensation for each
6 director in one year may not exceed \$7,200.

7 (b) A director is entitled to reimbursement for necessary
8 and reasonable expenses incurred in carrying out the duties and
9 responsibilities of the board.

10 Sec. 3959.0053. INITIAL DIRECTORS. (a) The initial board
11 consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>David Muckleroy</u>
<u>2</u>	<u>Kenner Link</u>
<u>3</u>	<u>Peter Madrala</u>
<u>4</u>	<u>Ian Hall</u>
<u>5</u>	<u>Brock Babb</u>

18 (b) Of the initial directors, the terms of directors
19 appointed for positions one through three expire June 1, 2023, and
20 the terms of directors appointed for positions four and five expire
21 June 1, 2025.

22 SUBCHAPTER C. POWERS AND DUTIES

23 Sec. 3959.0101. GENERAL POWERS AND DUTIES. The district
24 has the powers and duties necessary to accomplish the purposes for
25 which the district is created.

26 Sec. 3959.0102. IMPROVEMENT PROJECTS AND SERVICES. (a)
27 The district, using any money available to the district for the

1 purpose, may provide, design, construct, acquire, improve,
2 relocate, operate, maintain, or finance an improvement project or
3 service authorized under this chapter or Chapter 375, Local
4 Government Code.

5 (b) The district may contract with a governmental or private
6 entity to carry out an action under Subsection (a).

7 (c) The implementation of a district project or service is a
8 governmental function or service for the purposes of Chapter 791,
9 Government Code.

10 Sec. 3959.0103. NONPROFIT CORPORATION. (a) The board by
11 resolution may authorize the creation of a nonprofit corporation to
12 assist and act for the district in implementing a project or
13 providing a service authorized by this chapter.

14 (b) The nonprofit corporation:

15 (1) has each power of and is considered to be a local
16 government corporation created under Subchapter D, Chapter 431,
17 Transportation Code; and

18 (2) may implement any project and provide any service
19 authorized by this chapter.

20 (c) The board shall appoint the board of directors of the
21 nonprofit corporation. The board of directors of the nonprofit
22 corporation shall serve in the same manner as the board of directors
23 of a local government corporation created under Subchapter D,
24 Chapter 431, Transportation Code, except that a board member is not
25 required to reside in the district.

26 Sec. 3959.0104. LAW ENFORCEMENT SERVICES. To protect the
27 public interest, the district may contract with the city to provide

1 additional law enforcement services in the district for a fee.

2 Sec. 3959.0105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

3 The district may join and pay dues to a charitable or nonprofit
4 organization that performs a service or provides an activity
5 consistent with the furtherance of a district purpose.

6 Sec. 3959.0106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
7 district may engage in activities that accomplish the economic
8 development purposes of the district.

9 (b) The district may establish and provide for the
10 administration of one or more programs to promote state or local
11 economic development and to stimulate business and commercial
12 activity in the district, including programs to:

13 (1) make loans and grants of public money; and

14 (2) provide district personnel and services.

15 (c) The district may create economic development programs
16 and exercise the economic development powers provided to
17 municipalities by:

18 (1) Chapter 380, Local Government Code; and

19 (2) Subchapter A, Chapter 1509, Government Code.

20 Sec. 3959.0107. PARKING FACILITIES. (a) The district may
21 acquire, lease as lessor or lessee, construct, develop, own,
22 operate, and maintain parking facilities or a system of parking
23 facilities, including lots, garages, parking terminals, or other
24 structures or accommodations for parking motor vehicles off the
25 streets and related appurtenances.

26 (b) The district's parking facilities serve the public
27 purposes of the district and are owned, used, and held for a public

1 purpose even if leased or operated by a private entity for a term of
2 years.

3 (c) The district's parking facilities are parts of and
4 necessary components of a street and are considered to be a street
5 or road improvement.

6 (d) The development and operation of the district's parking
7 facilities may be considered an economic development program.

8 Sec. 3959.0108. ADDING OR EXCLUDING LAND. The district may
9 add or exclude land in the manner provided by Subchapter J, Chapter
10 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

11 Sec. 3959.0109. DISBURSEMENTS AND TRANSFERS OF MONEY. The
12 board by resolution shall establish the number of directors'
13 signatures and the procedure required for a disbursement or
14 transfer of district money.

15 Sec. 3959.0110. DIVISION OF DISTRICT. (a) The district may
16 be divided into two or more new districts only if the district:

17 (1) has no outstanding bonded debt; and

18 (2) is not imposing ad valorem taxes.

19 (b) This chapter applies to any new district created by the
20 division of the district, and a new district has all the powers and
21 duties of the district.

22 (c) Any new district created by the division of the district
23 may not, at the time the new district is created, contain any land
24 outside the area described by Section 2 of the Act enacting this
25 chapter.

26 (d) The board, on its own motion or on receipt of a petition
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the
2 district.

3 (e) An order dividing the district must:

4 (1) name each new district;

5 (2) include the metes and bounds description of the
6 territory of each new district;

7 (3) appoint initial directors for each new district;

8 and

9 (4) provide for the division of assets and liabilities
10 between or among the new districts.

11 (f) On or before the 30th day after the date of adoption of
12 an order dividing the district, the district shall file the order
13 with the Texas Commission on Environmental Quality and record the
14 order in the real property records of each county in which the
15 district is located.

16 (g) Any new district created by the division of the district
17 must hold an election as required by this chapter to obtain voter
18 approval before the district may impose a maintenance tax or issue
19 bonds payable wholly or partly from ad valorem taxes.

20 (h) Municipal consent to the creation of the district and to
21 the inclusion of land in the district granted under Section
22 3959.0206 acts as municipal consent to the creation of any new
23 district created by the division of the district and to the
24 inclusion of land in the new district.

25 SUBCHAPTER D. ASSESSMENTS

26 Sec. 3959.0151. PETITION REQUIRED FOR FINANCING SERVICES
27 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a

1 service or improvement project with assessments under this chapter
2 unless a written petition requesting that service or improvement
3 has been filed with the board.

4 (b) A petition filed under Subsection (a) must be signed by
5 the owners of a majority of the assessed value of real property in
6 the district subject to assessment according to the most recent
7 certified tax appraisal roll for the county.

8 Sec. 3959.0152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
9 The board by resolution may impose and collect an assessment for any
10 purpose authorized by this chapter in all or any part of the
11 district.

12 (b) An assessment, a reassessment, or an assessment
13 resulting from an addition to or correction of the assessment roll
14 by the district, penalties and interest on an assessment or
15 reassessment, an expense of collection, and reasonable attorney's
16 fees incurred by the district:

17 (1) are a first and prior lien against the property
18 assessed;

19 (2) are superior to any other lien or claim other than
20 a lien or claim for county, school district, or municipal ad valorem
21 taxes; and

22 (3) are the personal liability of and a charge against
23 the owners of the property even if the owners are not named in the
24 assessment proceedings.

25 (c) The lien is effective from the date of the board's
26 resolution imposing the assessment until the date the assessment is
27 paid. The board may enforce the lien in the same manner that the

1 board may enforce an ad valorem tax lien against real property.

2 (d) The board may make a correction to or deletion from the
3 assessment roll that does not increase the amount of assessment of
4 any parcel of land without providing notice and holding a hearing in
5 the manner required for additional assessments.

6 Sec. 3959.0153. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.
7 Section 375.161, Local Government Code, does not apply to the
8 district.

9 SUBCHAPTER E. TAXES AND BONDS

10 Sec. 3959.0201. TAX ELECTION REQUIRED. (a) The district
11 must hold an election in the manner provided by Chapter 49, Water
12 Code, or, if applicable, Chapter 375, Local Government Code, to
13 obtain voter approval before the district may impose an ad valorem
14 tax.

15 (b) Section 375.243, Local Government Code, does not apply
16 to the district.

17 Sec. 3959.0202. OPERATION AND MAINTENANCE TAX. (a) If
18 authorized by a majority of the district voters voting at an
19 election under Section 3959.0201, the district may impose an
20 operation and maintenance tax on taxable property in the district
21 in the manner provided by Section 49.107, Water Code, for any
22 district purpose, including to:

23 (1) maintain and operate the district;

24 (2) construct or acquire improvements; or

25 (3) provide a service.

26 (b) The board shall determine the operation and maintenance
27 tax rate. The rate may not exceed the rate approved at the

1 election.

2 Sec. 3959.0203. AUTHORITY TO BORROW MONEY AND TO ISSUE
3 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
4 terms determined by the board.

5 (b) The district may issue, by public or private sale,
6 bonds, notes, or other obligations payable wholly or partly from ad
7 valorem taxes, assessments, impact fees, revenue, contract
8 payments, grants, or other district money, or any combination of
9 those sources of money, to pay for any authorized district purpose.

10 (c) The limitation on the outstanding principal amount of
11 bonds, notes, or other obligations provided by Section 49.4645,
12 Water Code, does not apply to the district.

13 Sec. 3959.0204. BONDS SECURED BY REVENUE OR CONTRACT
14 PAYMENTS. The district may issue, without an election, bonds
15 secured by:

16 (1) revenue other than ad valorem taxes;

17 (2) contract payments, provided that the requirements
18 of Section 49.108, Water Code, have been met; or

19 (3) other contract revenues.

20 Sec. 3959.0205. BONDS SECURED BY AD VALOREM TAXES;
21 ELECTIONS. (a) If authorized at an election under Section
22 3959.0201, the district may issue bonds payable from ad valorem
23 taxes.

24 (b) At the time the district issues bonds payable wholly or
25 partly from ad valorem taxes, the board shall provide for the annual
26 imposition of a continuing direct annual ad valorem tax, without
27 limit as to rate or amount, for each year that all or part of the

1 bonds are outstanding as required and in the manner provided by
2 Sections 54.601 and 54.602, Water Code.

3 (c) All or any part of any facilities or improvements that
4 may be acquired by a district by the issuance of its bonds may be
5 submitted as a single proposition or as several propositions to be
6 voted on at the election.

7 Sec. 3959.0206. CONSENT OF MUNICIPALITY REQUIRED. (a) The
8 board may not issue bonds until each municipality in whose
9 corporate limits or extraterritorial jurisdiction the district is
10 located has consented by ordinance or resolution to the creation of
11 the district and to the inclusion of land in the district.

12 (b) This section applies only to the district's first
13 issuance of bonds payable from ad valorem taxes.

14 SUBCHAPTER Z. DISSOLUTION

15 Sec. 3959.0901. DISSOLUTION. (a) The board shall dissolve
16 the district on written petition filed with the board by the owners
17 of:

18 (1) 66 percent or more of the assessed value subject to
19 assessment by the district of the property in the district based on
20 the most recent certified county property tax rolls; or

21 (2) 66 percent or more of the surface area of the
22 district, excluding roads, streets, highways, utility
23 rights-of-way, other public areas, and other property exempt from
24 assessment by the district according to the most recent certified
25 county property tax rolls.

26 (b) The district may not be dissolved if the district:

27 (1) has any outstanding bonded or other indebtedness

1 until that bonded or other indebtedness has been repaid or defeased
2 in accordance with the order or resolution authorizing the issuance
3 of the bonded or other indebtedness;

4 (2) has a contractual obligation to pay money until
5 that obligation has been fully paid in accordance with the
6 contract; or

7 (3) owns, operates, or maintains public works,
8 facilities, or improvements unless the district has contracted with
9 another party for the ownership and operation or maintenance of the
10 public works, facilities, or improvements.

11 (c) Section 375.262, Local Government Code, does not apply
12 to the district.

13 SECTION 2. The Sterrett Road Municipal Management District
14 initially includes all territory contained in the following area:
15 Being a parcel of land located in Ellis County, Texas, a part of the
16 a part of the Clement Goar Survey, Abstract Number 401, a part of
17 the Carter H. Hurst Survey, Abstract Number 456, and being all of
18 that called 124.27 acre tract of land described in deed to Futex
19 Property Company No. 112, LLC as recorded in Instrument Number
20 1801007, Official Public Records of Ellis County, Texas, and being
21 all of that called 101.19 acre tract of land described in deed to
22 James R. Pitts, Trustee as recorded in Instrument Number 1723473,
23 Official Public Records of Ellis County, Texas, and also being all
24 of that called 360.00 acre tract of land described in deed to Fuscom
25 Property Company No. 2, LLC as recorded in Instrument Number
26 1800404, Official Public Records of Ellis County, Texas, and being
27 further described as follows:

1 BEGINNING at a point at the southwest corner of said 124.27 acre
2 tract, said point also being at the approximate centerline
3 intersection of West Sterrett Road and Patrick Road;

4 THENCE North 00 degrees 02 minutes 30 seconds West, 4,252.90 feet to
5 a point for corner, said point being the most westerly northwest
6 corner of said 360.00 acre tract, said point also being in Patrick
7 Road;

8 THENCE along the north line of said 360.00 acre tract as follows:

9 North 88 degrees 02 minutes 21 seconds East, 2,227.21 feet to
10 a point for corner;

11 North 03 degrees 02 minutes 39 seconds West, 972.62 feet to a
12 point for corner;

13 North 89 degrees 51 minutes 38 seconds East, 459.17 feet to a
14 point for corner;

15 North 02 degrees 01 minutes 41 seconds West, 296.17 feet to a
16 point for corner;

17 North 89 degrees 01 minutes 02 seconds East, 1,306.16 feet to
18 a point for corner;

19 North 88 degrees 37 minutes 03 seconds East, 453.09 feet to a
20 point for corner;

21 South 01 degrees 18 minutes 19 seconds East, 437.73 feet to a
22 point for corner;

23 North 89 degrees 09 minutes 41 seconds East, 850.07 feet to a
24 point for corner, said point being the northeast corner of said
25 360.00 acre tract;

26 THENCE along the east line of said 360.00 acre tract as follows:

27 South 00 degrees 57 minutes 39 seconds East, 1,694.38 feet to

1 a point for corner;

2 South 01 degrees 25 minutes 02 seconds East, 1,620.58 feet to
3 a point for corner, said point being the southeast corner of said
4 360.00 acre tract, said point also being the northeast corner of
5 said 101.19 acre tract;

6 THENCE South 00 degrees 37 minutes 32 seconds East, 1,625.00 feet to
7 the southeast corner of said 101.19 acre tract, said point also
8 being in West Sterrett Road;

9 THENCE North 89 degrees 19 minutes 15 seconds West, 2,693.70 feet to
10 a point for corner, said point being the southwest corner of said
11 101.19 acre tract, said point also being in the east line of said
12 124.27 acre tract, said point also being in West Sterrett Road;

13 THENCE South 01 degrees 22 minutes 01 seconds East, 294.05 feet to a
14 point for corner, said point being the southeast corner of said
15 124.27 acre tract, said point also being in West Sterrett Road;

16 THENCE South 89 degrees 54 minutes 12 seconds West, 2,638.73 feet
17 along the south line of said 124.27 acre tract to the POINT OF
18 BEGINNING and containing 25,506,220 square feet or 585.542 acres of
19 land.

20 Bearings are based on the west line of that called 124.27 acre tract
21 of land described in deed to Futex Property Company No. 112, LLC as
22 recorded in Instrument Number 1801007, Official Public Records of
23 Ellis County, Texas.

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

1 officials, or entities to which they are required to be furnished
2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
3 Government Code.

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

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

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

15 SECTION 4. (a) Section 3959.0110, Special District Local
16 Laws Code, as added by Section 1 of this Act, takes effect only if
17 this Act receives a two-thirds vote of all the members elected to
18 each house.

19 (b) If this Act does not receive a two-thirds vote of all the
20 members elected to each house, Subchapter C, Chapter 3959, Special
21 District Local Laws Code, as added by Section 1 of this Act, is
22 amended by adding Section 3959.0110 to read as follows:

23 Sec. 3959.0110. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

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

1 SECTION 5. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 4584 was passed by the House on May 14, 2021, by the following vote: Yeas 104, Nays 41, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4584 on May 28, 2021, by the following vote: Yeas 104, Nays 39, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4584 was passed by the Senate, with amendments, on May 26, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor