

1 AN ACT

2 relating to the creation of the TRR 243 Municipal Management
3 District; providing authority to issue bonds and impose
4 assessments, fees, and taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws
7 Code, is amended by adding Chapter 3793 to read as follows:

8 CHAPTER 3793. TRR 243 MUNICIPAL MANAGEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3793.0101. DEFINITIONS. In this chapter:

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

12 (2) "City" means the City of Celina, Texas.

13 (3) "Commission" means the Texas Commission on
14 Environmental Quality.

15 (4) "Director" means a board member.

16 (5) "District" means the TRR 243 Municipal Management
17 District.

18 Sec. 3793.0102. CREATION AND NATURE OF DISTRICT. The
19 district is a special district created under Sections 52 and 52-a,
20 Article III, and Section 59, Article XVI, Texas Constitution.

21 Sec. 3793.0103. PURPOSE; LEGISLATIVE FINDINGS. (a) The
22 creation of the district is essential to accomplish the purposes of
23 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
24 Texas Constitution, and other public purposes stated in this

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

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

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

16 Sec. 3793.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

17 (a) The district is created to serve a public use and benefit.

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

23 (c) The district is created to accomplish the purposes of a
24 municipal management district as provided by general law and
25 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
26 Texas Constitution.

27 (d) The creation of the district is in the public interest

1 and is essential to:

2 (1) further the public purposes of developing and
3 diversifying the economy of the state;

4 (2) eliminate unemployment and underemployment;

5 (3) develop or expand transportation and commerce; and

6 (4) provide quality residential housing.

7 (e) The district will:

8 (1) promote the health, safety, and general welfare of
9 residents, employers, potential employees, employees, visitors,
10 and consumers in the district, and of the public;

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

14 (3) promote the health, safety, welfare, and enjoyment
15 of the public by providing pedestrian ways and by landscaping and
16 developing certain areas in the district, which are necessary for
17 the restoration, preservation, and enhancement of scenic beauty.

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

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

26 Sec. 3793.0105. DISTRICT TERRITORY. (a) The district is
27 composed of the territory described by Section 2 of the Act enacting

1 this chapter, as that territory may have been modified under other
2 law.

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

7 (1) organization, existence, or validity;

8 (2) right to contract;

9 (3) authority to borrow money or issue bonds or other
10 obligations described by Section 3793.0501 or to pay the principal
11 and interest of the bonds or other obligations;

12 (4) right to impose or collect an assessment, or
13 collect other revenue; or

14 (5) legality or operation.

15 Sec. 3793.0106. APPLICABILITY OF MUNICIPAL MANAGEMENT
16 DISTRICTS LAW. Except as otherwise provided by this chapter,
17 Chapter 375, Local Government Code, applies to the district.

18 Sec. 3793.0107. CONSTRUCTION OF CHAPTER. This chapter
19 shall be liberally construed in conformity with the findings and
20 purposes stated in this chapter.

21 Sec. 3793.0108. CONFLICTS OF LAW. This chapter prevails
22 over any provision of Chapter 375, Local Government Code, that is in
23 conflict or inconsistent with this chapter.

24 Sec. 3793.0109. CONSENT OF MUNICIPALITY AND DEVELOPMENT
25 AGREEMENT REQUIRED. (a) The board may not hold an election to
26 authorize the issuance of bonds until:

27 (1) the governing body of the city by ordinance or

1 resolution consents to the creation of the district and to the
2 inclusion of land in the district; and

3 (2) the governing body of the city has entered into a
4 development agreement with the owner of a majority of the land in
5 the district.

6 (b) The city's consent must be granted in the manner
7 provided by Section 54.016, Water Code, for including land within
8 the corporate limits or extraterritorial jurisdiction of a city.

9 SUBCHAPTER B. BOARD OF DIRECTORS

10 Sec. 3793.0201. GOVERNING BODY; TERMS. The district is
11 governed by a board of five directors who serve staggered terms of
12 four years, with two or three directors' terms expiring June 1 of
13 each even-numbered year. One director is appointed by the city, and
14 four directors are appointed by the commission as provided by
15 Sections 3793.0202 and 3793.0203, respectively.

16 Sec. 3793.0202. APPOINTMENT AND REMOVAL OF DIRECTOR
17 APPOINTED BY CITY. (a) The governing body of the city shall
18 appoint one director who must be:

19 (1) at least 18 years of age; and

20 (2) a resident of the city.

21 (b) At any time the governing body of the city may remove the
22 director appointed by the city and appoint a director to serve the
23 remainder of the removed director's term.

24 Sec. 3793.0203. APPOINTMENT BY COMMISSION. (a) Before the
25 term of a director other than a director appointed under Section
26 3793.0202 expires, the board shall recommend to the commission the
27 appropriate number of persons to serve as successor directors. The

1 commission shall appoint as directors the persons recommended by
2 the board.

3 (b) A person recommended by the board under Subsection (a)
4 must be:

5 (1) at least 18 years of age;

6 (2) an owner of property in the district;

7 (3) an owner of stock, whether beneficial or
8 otherwise, of a corporate owner of property in the district;

9 (4) an owner of a beneficial interest in a trust that
10 owns property in the district; or

11 (5) an agent, employee, or tenant of a person
12 described by Subdivision (2), (3), or (4).

13 Sec. 3793.0204. VACANCY. If a vacancy occurs on the board,
14 the remaining directors shall appoint a director for the remainder
15 of the unexpired term.

16 Sec. 3793.0205. DIRECTOR'S OATH OR AFFIRMATION. (a) A
17 director shall file the director's oath or affirmation of office
18 with the district, and the district shall retain the oath or
19 affirmation in the district records.

20 (b) A director shall file a copy of the director's oath or
21 affirmation with the secretary of the city.

22 Sec. 3793.0206. OFFICERS. The board shall elect from among
23 the directors a chair, a vice chair, and a secretary. The offices
24 of chair and secretary may not be held by the same person.

25 Sec. 3793.0207. COMPENSATION; EXPENSES. (a) The district
26 may compensate each director in an amount not to exceed \$150 for
27 each board meeting. The total amount of compensation a director may

1 receive each year may not exceed \$7,200.

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

5 Sec. 3793.0208. LIABILITY INSURANCE. The district may
6 obtain and pay for comprehensive general liability insurance
7 coverage from a commercial insurance company or other source that
8 protects and insures a director against personal liability and from
9 all claims relating to:

10 (1) actions taken by the director in the director's
11 capacity as a member of the board;

12 (2) actions and activities taken by the district; or

13 (3) the actions of others acting on behalf of the
14 district.

15 Sec. 3793.0209. NO EXECUTIVE COMMITTEE. The board may not
16 create an executive committee to exercise the powers of the board.

17 Sec. 3793.0210. INITIAL DIRECTORS. (a) On or after
18 September 1, 2021, the owner or owners of a majority of the assessed
19 value of the real property in the district according to the most
20 recent certified tax appraisal rolls for the county may submit a
21 petition to the commission requesting that the commission appoint
22 as initial directors the four persons named in the petition. The
23 commission shall appoint as initial directors the four persons
24 named in the petition.

25 (b) The governing body of the city shall appoint one initial
26 director.

27 (c) The initial directors shall determine by lot which three

1 positions expire June 1, 2023, and which two positions expire June
2 1, 2025.

3 (d) This section expires September 1, 2023.

4 SUBCHAPTER C. POWERS AND DUTIES

5 Sec. 3793.0301. GENERAL POWERS AND DUTIES. The district
6 has the powers and duties necessary to accomplish the purposes for
7 which the district is created.

8 Sec. 3793.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
9 Subject to Subsection (b), the district may provide, design,
10 construct, acquire, improve, relocate, operate, maintain, or
11 finance an improvement project or service using money available to
12 the district, or contract with a governmental or private entity to
13 provide, design, construct, acquire, improve, relocate, operate,
14 maintain, or finance an improvement project or service authorized
15 under this chapter or Chapter 375, Local Government Code.

16 (b) The district may not construct or finance an improvement
17 project, other than a water, sewer, or drainage facility or road,
18 unless the governing body of the city by ordinance or resolution
19 consents to the construction or financing.

20 (c) The district may issue bonds, notes, or other
21 obligations to maintain or repair an existing improvement project
22 only if the governing body of the city by ordinance or resolution
23 consents to the issuance.

24 Sec. 3793.0303. LOCATION OF IMPROVEMENT PROJECT. A
25 district improvement project may be located inside or outside of
26 the district.

27 Sec. 3793.0304. OWNERSHIP OF IMPROVEMENT PROJECTS. (a)

1 Before a district improvement project may be put into operation,
2 the district must transfer ownership of the project to the city.

3 (b) The transfer of ownership is complete on the city's
4 acceptance of ownership.

5 Sec. 3793.0305. RETAIL WATER AND SEWER SERVICES PROHIBITED.
6 The district may not provide retail water or sewer services.

7 Sec. 3793.0306. ADDING OR REMOVING TERRITORY. (a) Subject
8 to Subsection (b), the board may add or remove territory as provided
9 by Subchapter J, Chapter 49, Water Code.

10 (b) The district may add territory as described by
11 Subsection (a) only if the governing body of the city by ordinance
12 or resolution consents to the addition.

13 Sec. 3793.0307. NO EMINENT DOMAIN POWER. The district may
14 not exercise the power of eminent domain.

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

16 Sec. 3793.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The
17 board by resolution shall establish the number of directors'
18 signatures and the procedure required for a disbursement or
19 transfer of the district's money.

20 Sec. 3793.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.
21 The district may acquire, construct, or finance an improvement
22 project or service authorized by this chapter or Chapter 375, Local
23 Government Code, using any money available to the district.

24 Sec. 3793.0403. METHOD OF NOTICE FOR HEARING. The district
25 may mail the notice required by Section 375.115(c), Local
26 Government Code, by certified or first class United States mail.
27 The board shall determine the method of notice.

1 Sec. 3793.0404. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

2 The board by resolution may impose and collect an assessment for any
3 purpose authorized by this chapter in all or any part of the
4 district.

5 (b) An assessment, a reassessment, or an assessment
6 resulting from an addition to or correction of the assessment roll
7 by the district, penalties and interest on an assessment or
8 reassessment, an expense of collection, and reasonable attorney's
9 fees incurred by the district are:

10 (1) a first and prior lien against the property
11 assessed;

12 (2) superior to any other lien or claim other than a
13 lien or claim for county, school district, or municipal ad valorem
14 taxes; and

15 (3) the personal liability of and a charge against the
16 owners of the property even if the owners are not named in the
17 assessment proceedings.

18 (c) The lien is effective from the date of the board's
19 resolution imposing the assessment until the date the assessment is
20 paid. The board may enforce the lien in the same manner that the
21 board may enforce an ad valorem tax lien against real property.

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

26 (e) The district may not impose an assessment on a
27 municipality, county, or other political subdivision.

1 Sec. 3793.0405. NOTICE OF ASSESSMENTS. Annually, the board
2 shall file with the secretary of the city written notice that
3 specifies the assessments the district will impose in the
4 district's next fiscal year in sufficient clarity to describe the
5 assessments for the operation and maintenance of the district and
6 the assessments for the payment of debt service of obligations
7 issued or incurred by the district.

8 SUBCHAPTER E. TAXES AND BONDS

9 Sec. 3793.0501. BONDS AND OTHER OBLIGATIONS. (a) The
10 district may issue bonds, notes, or other obligations payable
11 wholly or partly from ad valorem taxes or assessments in the manner
12 provided by Subchapter J, Chapter 375, Local Government Code.

13 (b) In exercising the district's borrowing power, the
14 district may issue a bond or other obligation in the form of a bond,
15 note, certificate of participation or other instrument evidencing a
16 proportionate interest in payments to be made by the district, or
17 other type of obligation.

18 (c) In addition to the sources of money described by
19 Subchapter J, Chapter 375, Local Government Code, district bonds
20 may be secured and made payable wholly or partly by a pledge of any
21 part of the money the district receives from improvement revenue or
22 from any other source.

23 (d) Not later than the 30th day before the date the district
24 holds a bond sale, the district shall provide the governing body of
25 the city written notice of the sale.

26 SUBCHAPTER F. DISSOLUTION

27 Sec. 3793.0601. DISSOLUTION BY CITY ORDINANCE. (a) The

1 governing body of the city may dissolve the district by ordinance.

2 (b) The governing body may not dissolve the district until:

3 (1) water, sanitary, sewer, and drainage improvements
4 and roads have been constructed to serve at least 90 percent of the
5 developable territory of the district; and

6 (2) the district has reimbursed each party that has an
7 agreement with the district for all costs advanced to or on behalf
8 of the district.

9 (c) Until the district is dissolved, the district is
10 responsible for all bonds and other obligations of the district.

11 Sec. 3793.0602. COLLECTION OF ASSESSMENTS AND OTHER
12 REVENUE. (a) If the dissolved district has bonds or other
13 obligations outstanding secured by and payable from assessments or
14 other revenue, other than revenue from ad valorem taxes, the city
15 shall succeed to the rights and obligations of the district
16 regarding enforcement and collection of the assessments or other
17 revenue.

18 (b) The city shall have and exercise all district powers to
19 enforce and collect the assessments or other revenue to pay:

20 (1) the bonds or other obligations when due and
21 payable according to their terms; or

22 (2) special revenue or assessment bonds or other
23 obligations issued by the city to refund the outstanding bonds or
24 obligations.

25 Sec. 3793.0603. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
26 After the city dissolves the district, the city assumes, subject to
27 the appropriation and availability of funds, the obligations of the

1 district, including any bonds or other debt payable from
2 assessments or other district revenue.

3 (b) If the city dissolves the district, the board shall
4 transfer ownership of all district property to the city.

5 SECTION 2. The TRR 243 Municipal Management District
6 initially includes all the territory contained in the following
7 area:

8 BEING that certain tract of land situated in the Collin County
9 School Land Survey, Abstract No. 168, Collin County, Texas, and
10 being all of that certain called 243.820 acre tract of land as
11 conveyed to Laura Latham Shinker, Elizabeth Brent and David Brent,
12 as recorded in Volume 967, Page 705 of the Deed Records of Collin
13 County, Texas, and also being all of that certain called 243.859
14 acre tract of land as conveyed to Godwin Family Investments, Ltd.,
15 by deed recorded in Volume 5634, Page 3372, said Deed Records, and
16 being more particularly described by metes and bounds as follows:

17 BEGINNING at a 5/8 inch iron rod found for the southeast corner of
18 said Godwin Family Investments tract, same being the southwest
19 corner of that certain tract of land to Carol J. King or Julia King
20 Needum, and their Successors, as Trustee of the King Family Trust,
21 as recorded in Instrument no. 2012102200134910, Official Public
22 Records, Collin County, Texas, same being in the north right-of-way
23 line of F.M. Highway 428 (a 105' public right-of-way at this point);
24 THENCE Sough 89 deg. 59 min. 43 sec. West, along the common line of
25 said Godwin Family Investments tract, and the north right-of-way
26 line of said F. M. Highway No. 428, a distance of 2602.61 feet to a
27 1/2 inch iron pipe found for the most southerly southwest corner of

1 said Godwin Family Investments tract;
2 THENCE North 45 deg. 11 min. 54 sec. West, continuing along the
3 common line of said Godwin Family Investments tract, and the north
4 right-of-way line of said F. M. Highway 428, a distance of 42.50
5 feet to a point;
6 THENCE South 89 deg. 59 min. 06 sec. West, continuing along the
7 common line of said Godwin Family Investments tract, and the north
8 right-of-way line of said F. M. Highway No. 428, a distance of 17.50
9 feet to a 1/2 inch iron rod found in the approximate center of
10 County Road No. 54 (a gravel paved prescriptive right-of-way);
11 THENCE North 00 deg. 02 min. 21 sec. West, along the west line of
12 said Godwin Family Investments tract, and generally along the
13 centerline of said County Road No. 54, a distance of 3965.31 feet to
14 a 3/8 inch rod found for the northwest corner of said Godwin Family
15 Investments tract, same being the southwest corner of that certain
16 tract of land to Michael C. Hollifield and wife, Deborah Baker
17 Hollifield, husband and wife, by deed recorded in Volume 5696, Page
18 1982, aforesaid Deed Records;
19 THENCE South 89 deg. 57 min. 51 sec. East, along the common line of
20 said Godwin Family Investments tract, and said Hollifield tract,
21 passing the southeast corner of said Hollifield tract, same being
22 the southwest corner of that certain tract of land to the Pollard
23 Family Living Trust, by deed recorded in County Clerk's File
24 No. 20120608000680240, aforesaid Official Public Records, and
25 continuing along the common line of said Godwin Family Investments
26 tract, and said Pollard tract, a total distance of 2669.06 feet to a
27 3/4 inch iron rod found for the northeast corner of said Godwin

1 Family Investments tract, same being the southeast corner of said
2 Pollard tract, same being in the west line of that certain tract of
3 land to Douglas J. Barker and wife, Sandra Barker, by deed recorded
4 in Volume 1159, Page 423, said Deed Records;

5 THENCE South 00 deg. 14 min. 32 sec. West, along common line of said
6 Godwin Family Investments tract, and said Pollard tract, passing
7 the southwest corner of said Pollard tract, same being the most
8 northerly northwest corner of that certain tract of land to Old
9 Celina, Ltd., by deed recorded in Volume 5208, Page 3376, said Deed
10 Records, and continuing along the common line of said Godwin Family
11 Investments tract, and said Old Celina tract, a total distance of
12 1400.08 feet to a Bois d' Arc Fence found for the most westerly
13 southwest corner of said Old Celina tract, same being the northwest
14 corner of aforesaid King tract;

15 THENCE South 00 deg. 13 min. 28 sec. West, along the common line of
16 said Godwin Family Investments tract, and said King tract, a
17 distance of 2593.32 feet to the POINT OF BEGINNING and containing
18 243.846 acres of computed land, more or less.

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

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

1 Environmental Quality.

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

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

10 SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 4590 was passed by the House on May 14, 2021, by the following vote: Yeas 106, Nays 39, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4590 on May 28, 2021, by the following vote: Yeas 103, Nays 43, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4590 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