

By: Anchía

H.B. No. 5683

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Cedar Springs Improvement 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 4018 to read as follows:

CHAPTER 4018. CEDAR SPRINGS IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4018.0101. DEFINITIONS. In this chapter:

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

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

(3) "County" means Dallas County.

(4) "Director" means a board member.

(5) "District" means the Cedar Springs Improvement
District.

Sec. 4018.0102. NATURE OF DISTRICT. The Cedar Springs
Improvement District is a special district created under Section
59, Article XVI, Texas Constitution.

Sec. 4018.0103. 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.

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

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

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

17 Sec. 4018.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

23 (b) The district is created to serve a public use and
24 benefit.

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

27 (1) developing and diversifying the economy of the

1 state;

2 (2) eliminating unemployment and underemployment; and

3 (3) developing or expanding transportation and
4 commerce.

5 (d) The district will:

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

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

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

17 (4) provide for road and recreational facilities for
18 the district.

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

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

27 Sec. 4018.0105. INITIAL DISTRICT TERRITORY. (a) The

district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the boundaries does not affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Sec. 4018.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

Sec. 4018.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4018.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4018.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of seven elected directors who serve staggered

terms of four years.

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

Sec. 4018.0202. COMPENSATION; EXPENSES. (a) A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code.

(b) Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Sec. 4018.0203. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Lupe Valdez</u>
<u>2</u>	<u>Mikey Nguyen</u>
<u>3</u>	<u>David Drake</u>
<u>4</u>	<u>Adam Murphy</u>
<u>5</u>	<u>Tony Vedda</u>
<u>6</u>	<u>Martha Tiller</u>
<u>7</u>	<u>Randle Langdon</u>

(b) Of the initial directors, the terms of directors appointed for positions one through four expire June 1, 2027, and the terms of directors appointed for positions five through seven expire June 1, 2029.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 4018.0301. GENERAL POWERS AND DUTIES. (a) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(b) The district may not provide retail water or sewer

service in an area receiving retail water or sewer service from another water or sewer service provider.

Sec. 4018.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

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

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

Sec. 4018.0303. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Sec. 4018.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 4018.0305. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial

activity in the district, including programs to:

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

(2) provide district personnel and services.

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

(1) Chapter 380, Local Government Code; and

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

Sec. 4018.0306. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) 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.

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

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

Sec. 4018.0307. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money.

1 Sec. 4018.0308. ADDING OR EXCLUDING LAND. The district may
2 add or exclude land in the manner provided by Subchapter J, Chapter
3 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

4 Sec. 4018.0309. NO EMINENT DOMAIN POWER. The district may
5 not exercise the power of eminent domain.

6 SUBCHAPTER D. ASSESSMENTS

7 Sec. 4018.0401. PETITION REQUIRED FOR FINANCING SERVICES
8 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
9 service or improvement project with assessments under this chapter
10 unless a written petition requesting that service or improvement
11 has been filed with the board.

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

16 Sec. 4018.0402. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
17 The board by resolution may impose and collect an assessment for any
18 purpose authorized by this chapter in all or any part of the
19 district.

20 (b) An assessment, a reassessment, or an assessment
21 resulting from an addition to or correction of the assessment roll
22 by the district, penalties and interest on an assessment or
23 reassessment, an expense of collection, and reasonable attorney's
24 fees incurred by the district:

25 (1) are a first and prior lien against the property
26 assessed;

27 (2) are superior to any other lien or claim other than

1 a lien or claim for county, school district, or municipal ad valorem
2 taxes; and

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

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

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

14 SUBCHAPTER E. TAXES AND BONDS

15 Sec. 4018.0501. TAX ELECTION REQUIRED. (a) The district
16 must hold an election in the manner provided by Chapter 49, Water
17 Code, or, if applicable, Chapter 375, Local Government Code, to
18 obtain voter approval before the district may impose an ad valorem
19 tax.

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

22 Sec. 4018.0502. OPERATION AND MAINTENANCE TAX. (a) If
23 authorized by a majority of the district voters voting at an
24 election under Section 4018.0501, the district may impose an
25 operation and maintenance tax on taxable property in the district
26 in the manner provided by Section 49.107, Water Code, for any
27 district purpose, including to:

1 (1) maintain and operate the district;

2 (2) construct or acquire improvements; or

3 (3) provide a service.

4 (b) The board shall determine the operation and maintenance
5 tax rate. The rate may not exceed the rate approved at the
6 election.

7 Sec. 4018.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
8 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
9 terms determined by the board.

10 (b) The district may issue bonds, notes, or other
11 obligations payable wholly or partly from ad valorem taxes,
12 assessments, impact fees, revenue, contract payments, grants, or
13 other district money, or any combination of those sources of money,
14 to pay for any authorized district purpose.

15 Sec. 4018.0504. BONDS SECURED BY REVENUE OR CONTRACT
16 PAYMENTS. The district may issue, without an election, bonds
17 secured by:

18 (1) revenue other than ad valorem taxes, including
19 contract revenues; or

20 (2) contract payments, provided that the requirements
21 of Section 49.108, Water Code, have been met.

22 Sec. 4018.0505. BONDS SECURED BY AD VALOREM TAXES;
23 ELECTIONS. (a) If authorized at an election under Section
24 4018.0501, the district may issue bonds payable from ad valorem
25 taxes.

26 (b) At the time the district issues bonds payable wholly or
27 partly from ad valorem taxes, the board shall provide for the annual

1 imposition of a continuing direct annual ad valorem tax, without
2 limit as to rate or amount, for each year that all or part of the
3 bonds are outstanding as required and in the manner provided by
4 Sections 54.601 and 54.602, Water Code.

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

9 Sec. 4018.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
10 board may not issue bonds until each municipality in whose
11 corporate limits or extraterritorial jurisdiction the district is
12 located has consented by ordinance or resolution to the creation of
13 the district and to the inclusion of land in the district as
14 required by applicable law.

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

17 SUBCHAPTER I. DISSOLUTION

18 Sec. 4018.0901. DISSOLUTION. (a) The board shall dissolve
19 the district on written petition filed with the board by the owners
20 of:

21 (1) at least two-thirds of the assessed value of the
22 property subject to assessment by the district based on the most
23 recent certified county property tax rolls; or

24 (2) at least two-thirds of the surface area of the
25 district, excluding roads, streets, highways, utility
26 rights-of-way, other public areas, and other property exempt from
27 assessment by the district according to the most recent certified

1 county property tax rolls.

2 (b) The board by majority vote may dissolve the district at
3 any time.

4 (c) The district may not be dissolved by its board under
5 Subsection (a) or (b) if the district:

6 (1) has any outstanding bonded indebtedness until that
7 bonded indebtedness has been repaid or defeased in accordance with
8 the order or resolution authorizing the issuance of the bonds;

9 (2) has a contractual obligation to pay money until
10 that obligation has been fully paid in accordance with the
11 contract; or

12 (3) owns, operates, or maintains public works,
13 facilities, or improvements unless the district contracts with
14 another person for the ownership, operation, or maintenance of the
15 public works, facilities, or improvements.

16 (d) Sections [375.261](#), [375.262](#), and [375.264](#), Local
17 Government Code, do not apply to the district.

18 SECTION 2. The Cedar Springs Improvement District initially
19 includes all territory contained in the following area:

20 In Dallas County, Texas, the territory enclosed by Lemmon
21 Avenue as the northeast boundary, Oak Lawn Avenue as the southeast
22 boundary, Maple Avenue as the southwest boundary, and Inwood Road
23 as the northwest boundary.

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. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2025.