

By: Parker

H.B. No. 4752

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Prosper Management District No. 1;
providing authority to impose a tax and issue bonds.

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 3886 to read as follows:

CHAPTER 3886. PROSPER MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3886.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Prosper Management District
No. 1.

Sec. 3886.002. NATURE OF DISTRICT. The district is a
special district created under Sections 52 and 52-a, Article III,
and Section 59, Article XVI, Texas Constitution.

Sec. 3886.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (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 Sections 52 and 52-a,
Article III, and Section 59, Article XVI, Texas Constitution, and
other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a

1 municipal management district as provided by general law and
2 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
3 Texas Constitution.

4 (d) The creation of the district is in the public interest
5 and is essential to:

6 (1) further the public purposes of developing and
7 diversifying the economy of the state;

8 (2) eliminate unemployment and underemployment; and

9 (3) develop or expand transportation and commerce.

10 (e) The district will:

11 (1) promote the health, safety, and general welfare of
12 residents, employers, potential employees, employees, visitors,
13 and consumers in the district, and of the public;

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

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

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

26 (g) The district will not act as the agent or
27 instrumentality of any private interest even though the district

1 will benefit many private interests as well as the public.

2 Sec. 3886.004. INITIAL DISTRICT TERRITORY. (a) The
3 district is initially composed of the territory described by
4 Section 2 of the Act creating this chapter.

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

9 (1) organization, existence, or validity;

10 (2) right to issue any type of bond for the purposes
11 for which the district is created or to pay the principal of and
12 interest on a bond;

13 (3) right to impose or collect a tax; or

14 (4) legality or operation.

15 Sec. 3886.005. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

16 (a) All or any part of the area of the district is eligible to be
17 included in a tax increment reinvestment zone created by a
18 municipality under Chapter 311, Tax Code.

19 (b) If a municipality creates a tax increment reinvestment
20 zone under Subsection (a), the municipality and the board of
21 directors of the zone, by contract with the district, may grant
22 money deposited in the tax increment fund to the district to be used
23 by the district for the purposes permitted by this chapter,
24 including the right to pledge the money as security for any bonds
25 issued by the district.

26 [Sections 3886.006-3886.050 reserved for expansion]

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 3886.051. GOVERNING BODY; TERMS. (a) The district is
3 governed by a board of three directors.

4 (b) Directors serve staggered four-year terms, with the
5 terms of one or two directors expiring on June 1 of each
6 odd-numbered year.

7 (c) Each board of directors shall recommend to the governing
8 body of the Town of Prosper persons to serve on the succeeding
9 board.

10 (d) After reviewing the recommendations, the governing body
11 shall approve or disapprove the directors recommended by the board.

12 (e) If the governing body is not satisfied with the
13 recommendations submitted by the board, the board, on the request
14 of the governing body, shall submit additional recommendations.

15 (f) Board members may serve successive terms.

16 (g) If any provision of Subsection (c), (d), (e), or (f) is
17 found to be invalid, the Texas Commission on Environmental Quality
18 shall appoint the board from recommendations submitted by the
19 preceding board.

20 Sec. 3886.052. QUALIFICATIONS. A person must meet the
21 qualifications of Section 375.063, Local Government Code, to serve
22 as a district director.

23 Sec. 3886.053. INITIAL DIRECTORS. (a) On or after the
24 effective date of the Act creating this chapter, the owner or owners
25 of a majority of the assessed value of the real property in the
26 district may submit a petition to the governing body of the Town of
27 Prosper requesting that the governing body appoint as initial

1 directors the three persons named in the petition.

2 (b) If a petition described by Subsection (a) is not
3 submitted to the governing body of the Town of Prosper not later
4 than the 30th day after the effective date of the Act creating this
5 chapter, the governing body shall appoint as directors three
6 persons qualified under Section 3886.052.

7 (c) The initial directors shall draw lots to determine which
8 director shall serve a two-year term and which directors shall
9 serve four-year terms.

10 (d) This section expires September 1, 2013.

11 [Sections 3886.054-3886.100 reserved for expansion]

12 SUBCHAPTER C. POWERS AND DUTIES

13 Sec. 3886.101. GENERAL POWERS AND DUTIES. The district has
14 the powers and duties necessary to accomplish the purposes for
15 which the district is created.

16 Sec. 3886.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND
17 DUTIES. (a) The district has the powers and duties provided by the
18 general laws of this state, including Chapter 375, Local Government
19 Code, as applicable to municipal management districts created under
20 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
21 Texas Constitution.

22 (b) Section 375.161, Local Government Code, does not apply
23 to the district.

24 [Sections 3886.103-3886.150 reserved for expansion]

25 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

26 Sec. 3886.151. ELECTIONS REGARDING TAXES OR BONDS. (a) The
27 district may issue, without an election, bonds and other

1 obligations secured by revenue or contract payments from any source
2 other than ad valorem taxes.

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

7 (c) The district may not issue bonds payable from ad valorem
8 taxes to finance a road project unless the issuance is approved by a
9 vote of a two-thirds majority of the district voters voting at an
10 election held for that purpose.

11 Sec. 3886.152. OPERATION AND MAINTENANCE TAX. (a) If
12 authorized at an election held under Section 3886.151, the district
13 may impose an operation and maintenance tax on taxable property in
14 the district in accordance with Section 49.107, Water Code.

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

17 Sec. 3886.153. CONTRACT TAXES. (a) In accordance with
18 Section 49.108, Water Code, the district may make payments under a
19 contract from taxes other than operation and maintenance taxes
20 after the provisions of the contract have been approved by a
21 majority of the district voters voting at an election held for that
22 purpose.

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

26 Sec. 3886.154. AUTHORITY TO ISSUE BONDS AND OTHER
27 OBLIGATIONS. The district may issue bonds or other obligations

1 payable wholly or partly from ad valorem taxes, impact fees,
2 revenue, contract payments, grants, sales and use taxes, revenue
3 from a tax increment reinvestment zone created under Chapter 311,
4 Tax Code, other district money, or any combination of those
5 sources, to pay for any authorized district purpose.

6 Sec. 3886.155. TAXES FOR BONDS. (a) At the time the district
7 issues bonds payable wholly or partly from ad valorem taxes, the
8 board shall provide for the annual imposition of an ad valorem tax,
9 without limit as to rate or amount, as required by Section 54.601,
10 Water Code.

11 (b) The board shall annually impose the tax while all or
12 part of the bonds are outstanding. Sections 54.601 and 54.602,
13 Water Code, govern the amount and rate of the tax.

14 Sec. 3886.156. BONDS FOR ROAD PROJECTS. At the time of
15 issuance, the total principal amount of bonds or other obligations
16 issued or incurred to finance road projects may not exceed
17 one-fourth of the assessed value of the real property in the
18 district.

19 SECTION 2. The Prosper Management District No. 1 initially
20 includes all the territory contained in the following area:

21 BEING a tract of land out of the C. SMITH SURVEY, Abstract No.
22 1681, the J. BATES SURVEY, Abstract No. 1620, the L. SALING SURVEY,
23 Abstract No. 1675, the H.P. SALING SURVEY, Abstract No. 1628, the
24 M.E.P. & P.R.R. SURVEY, Abstract No. 1476, the P. BARNES SURVEY,
25 Abstract No. 79, the B. HADGES SURVEY, Abstract No. 593, the A.B.
26 JAMISON SURVEY, Abstract No. 672, and the J. MORTON SURVEY,
27 Abstract No. 793, in Denton County, Texas, and being part of the

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1 tract of land described in deed to Mahard 2003 Partnership, L.P.
2 recorded in Denton County Clerk's File No. 2004-0014698 of the Real
3 Property Records of Denton County, Texas, being all of the tract of
4 land described in deed to Mahard Egg Farm, Inc. recorded in Volume
5 1936, Page 145 of the Real Property Records of Denton County, Texas,
6 being part of the tract of land described in deed to Mahard Egg
7 Farm, Inc. recorded in Volume 1332, Page 176 of the Real Property
8 Records of Denton County, Texas, being all of the tracts of land
9 described in deed to Forest City Prosper, L.P. recorded in Denton
10 County Clerk's File No. 2007-144196 and 2008-9958 of the Real
11 Property Records of Denton County, Texas, being all of the tracts of
12 land described in deed to Richard J. Bontke and Nathan P. Bontke
13 recorded in Denton County Clerk's File No. 2007-144901 and
14 2009-10359 of the Real Property Records of Denton County, Texas,
15 and being more particularly described as follows:

16 BEGINNING at a TXDOT monument found in the north right-of-way
17 line of U.S. Highway No. 380, said monument being the northeast
18 corner of a tract of land described in deed to the State of Texas
19 recorded in Volume 4769, Page 1768 of the Real Property Records of
20 Denton County, Texas;

21 THENCE with said north right-of-way line, the following
22 courses and distances to wit:

23 South 88°35'51" West, a distance of 3483.13 feet to a TXDOT
24 monument found;

25 North 46°16'16" West, a distance of 113.97 feet to a point in
26 the west line of Good Hope Road (no dedication recordation found);

27 South 44°02'02" West, a distance of 114.30 feet to a TXDOT

1 monument found;

2 South 88°35'51" West, a distance of 2062.12 feet to a 5/8"
3 iron rod set for corner;

4 South 88°50'58" West, a distance of 100.00 feet to a 5/8" iron
5 rod set for corner;

6 South 89°09'27" West, a distance of 22.39 feet to a 5/8" iron
7 rod set for corner;

8 North 45°50'38" West, a distance of 111.42 feet to a pk nail
9 set in the centerline of Gee Road (no dedication recordation
10 found);

11 THENCE with said centerline, North 00°01'02" West, a distance
12 of 1114.87 feet to a pk nail set;

13 THENCE with the easterly most north line of a 106.26 acre
14 tract of land described in deed to Judy Gee recorded in Volume 3130,
15 Page 794 of the Real Property Records of Denton County, Texas, part
16 of the way, South 89°33'35" West, a distance of 1098.63 feet to a
17 fence corner found;

18 THENCE along a fence, North 12°40'03" East, a distance of
19 2150.51 feet to a fence corner found for the northwest corner of a
20 5.34 acre tract of land described in deed to Mahard Egg Farm, Inc.
21 recorded in Volume 1936, Page 145 of the Real Property Records of
22 Denton County, Texas;

23 THENCE the following courses and distances to wit:

24 North 88°30'03" West, a distance of 451.90 feet to a 5/8" iron
25 rod set for corner;

26 North 59°57'10" West, a distance of 66.21 feet to a 5/8" iron
27 rod set for corner;

1 North 27°15'28" West, a distance of 207.89 feet to a 5/8" iron
2 rod set for corner;

3 South 79°58'04" West, a distance of 116.69 feet to a 5/8" iron
4 rod set for corner;

5 South 17°11'21" West, a distance of 12.96 feet to a 5/8" iron
6 rod set for corner;

7 North 65°16'52" West, a distance of 66.04 feet to a 5/8" iron
8 rod set for the northerly most corner of said 106.26 acre tract;

9 THENCE with the west lines of said 106.26 acre tract, the
10 following courses and distances to wit:

11 South 31°55'38" West, a distance of 494.24 feet to a 5/8" iron
12 rod set for corner;

13 South 57°52'02" East, a distance of 601.93 feet to a Corp of
14 Engineers monument found;

15 South 31°24'02" West, a distance of 1854.30 feet to a Corp of
16 Engineers monument found;

17 South 31°27'22" West, a distance of 302.61 feet to a 5/8" iron
18 rod set for the northeast corner of a 0.78 acre tract of land
19 described in deed to the City of Irving recorded in Volume 4871,
20 Page 5128 of the Real Property Records of Denton County, Texas;

21 THENCE the lines of said 0.78 acre tract, the following
22 courses and distances to wit:

23 North 73°29'41" West, a distance of 241.29 feet to a 1/2" iron
24 rod found for corner;

25 South 21°58'41" West, a distance of 181.00 feet to a 5/8" iron
26 rod set for corner;

27 South 73°29'27" East, a distance of 67.00 feet to a 5/8" iron

1 rod set for corner;

2 North 22°20'38" East, a distance of 41.52 feet to a 5/8" iron
3 rod set for corner;

4 South 75°57'16" East, a distance of 152.12 feet to a 1/2" iron
5 rod found in the west line of said 106.26 acre tract;

6 THENCE with said west line and along a fence part of the way,
7 South 31°27'22" West, a distance of 877.59 feet to a 5/8" iron rod
8 set for corner in the north right-of-way line of said U.S. Highway
9 No. 380

10 THENCE with said north right-of-way line, North 88°48'55"
11 West, a distance of 587.44 feet to a 5/8" iron rod set for the
12 southeast corner of a 61.2 acre tract of land described in deed to
13 M. Taylor Hansel recorded in Denton County Clerk's File No.
14 94-R0091793 of the Real Property Records of Denton County, Texas;

15 THENCE with the east lines of said Hansel tract, the
16 following courses and distances to wit:

17 North 08°56'01" East, a distance of 240.78 feet to a 5/8" iron
18 rod set for corner;

19 North 55°59'01" East, a distance of 132.20 feet to a 5/8" iron
20 rod set for corner;

21 South 20°18'01" West, a distance of 155.70 feet to a 5/8" iron
22 rod set for corner;

23 South 80°49'59" East, a distance of 88.40 feet to a 5/8" iron
24 rod set for corner;

25 North 45°13'01" East, a distance of 261.10 feet to a 5/8" iron
26 rod set for corner;

27 South 62°15'59" East, a distance of 216.20 feet to a 5/8" iron

1 rod set for corner;

2 North 15°04'01" East, a distance of 184.70 feet to a 5/8" iron
3 rod set for corner;

4 North 56°01'01" East, a distance of 183.40 feet to a 5/8" iron
5 rod set for corner;

6 North 18°07'01" East, a distance of 197.90 feet to a 5/8" iron
7 rod set for corner;

8 North 73°19'59" West, a distance of 688.80 feet to a Corp of
9 Engineers monument found for the southeast corner of a 107.57 acre
10 tract of land described in deed to Fish Trap Properties, Ltd.,
11 recorded in Volume 4626, Page 2922 of the Real Property Records of
12 Denton County, Texas;

13 THENCE with the east lines of said 107.57 acre tract, the
14 following courses and distances to wit:

15 North 29°02'03" East, a distance of 67.81 feet to a 5/8" iron
16 rod set for corner;

17 North 22°04'26" East, a distance of 710.31 feet to a Corp of
18 Engineers monument found;

19 North 33°00'31" East, a distance of 221.33 feet to a Corp of
20 Engineers monument found;

21 North 58°30'15" West, a distance of 249.63 feet to a Corp of
22 Engineers monument found for the southeast corner of a 43.07 acre
23 tract of land described in deed to Billy Jeter recorded in Volume
24 2125, Page 729 of the Real Property Records of Denton County, Texas;

25 THENCE with the east lines of said 43.07 acre tract, the
26 following courses and distances to wit:

27 North 07°55'24" East, a distance of 669.72 feet to a 5/8" iron

1 rod set for corner;

2 South 75°24'16" East, a distance of 402.59 feet to a Corp of
3 Engineers monument found;

4 North 19°28'37" West, a distance of 739.75 feet to a Corp of
5 Engineers monument found;

6 North 35°34'01" East, a distance of 531.05 feet to a Corp of
7 Engineers monument found;

8 North 02°04'22" West, a distance of 172.83 feet to a fence
9 post found in the south line of a 57.55 acre tract of land described
10 in deed to G&S Landscaping recorded in Volume 5114, Page 1398 of the
11 Real Property Records of Denton County, Texas;

12 THENCE with said south line, South 77°28'43" East, a distance
13 of 553.04 feet to a Corp of Engineers monument found;

14 THENCE with the east line of said 57.55 acre tract and the
15 east line of two tracts of land described in deed to Mary Weber
16 recorded in Denton County Clerk's File No. 94-R0031655 of the Real
17 Property Records of Denton County, Texas, the following courses and
18 distances to wit:

19 North 01°07'34" East, a distance of 278.92 feet to a 5/8" iron
20 rod found;

21 North 01°04'49" East, a distance of 30.01 feet to the
22 Centerline of Fishtrap Road (no dedication recordation found) for
23 corner;

24 THENCE along said centerline, the following courses and
25 distances to wit:

26 South 88°36'42" East, a distance of 398.70 feet to a point for
27 corner;

1 South 86°31'27" East, a distance of 681.51 feet to a point for
2 corner;

3 South 84°57'13" East, a distance of 292.72 feet to a point for
4 corner;

5 South 86°02'50" East, a distance of 1675.46 feet to a point
6 for corner;

7 South 87°19'45" East, a distance of 207.56 feet to a point for
8 corner;

9 North 89°20'49" East, a distance of 1052.20 feet to a point
10 for corner in the centerline of Fishtrap Road and the northwest
11 corner of a tract of land described in deed to Judy Reeves ;

12 THENCE with the west line of said Reeves tract, South
13 00°08'13" East, a distance of 231.70 feet to a 5/8" iron rod set for
14 corner;

15 THENCE with the south line of said Reeves tract, North
16 89°14'55" East, a distance of 940.90 feet to a 5/8" iron rod set for
17 corner;

18 THENCE with the east line of said Reeves tract, North
19 00°40'52" West, a distance of 234.76 point in the centerline of said
20 Fish Trap Road;

21 THENCE along the centerline of said FishTrap Road, North
22 89°04'04" East, a distance of 2699.77 feet to a point for corner in
23 the centerline of Fields Road;

24 THENCE along said centerline, the following courses and
25 distances to wit:

26 South 00°06'17" East, a distance of 1284.05 feet to a 5/8"
27 iron rod set for corner;

1 South 00°06'37" West, a distance of 1042.41 feet to a 5/8"
2 iron rod set for corner;

3 THENCE leaving the centerline of said Fields Road, South
4 89°11'26" West, a distance of 21.20 feet to a 5/8" iron rod set in
5 the west line of said Field Road;

6 THENCE with said west line, the following courses and
7 distances to wit:

8 South 00°00'27" West, a distance of 1396.62 feet to a fence
9 corner;

10 South 41°23'46" West, a distance of 87.55 feet to the POINT OF
11 BEGINNING and containing 674.916 acres of land.

12 Bearing system based North Central Zone of the Texas State
13 Plane Coordinate System. This document, prepared under 22 TAC
14 663.21, does not reflect the results of an on the ground survey, and
15 is not to be used to convey or establish interests in real property
16 except those rights and interest supplied or established by the
17 creation or reconfiguration of the boundary of the political
18 subdivision for which it was prepared.

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, the
4 lieutenant governor, and the speaker of the house of
5 representatives 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 are fulfilled
9 and accomplished.

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