

By: Kuempel

H.B. No. 4755

Substitute the following for H.B. No. 4755:

By: Oliveira

C.S.H.B. No. 4755

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Guadalupe County Development and Management District; providing authority to impose an assessment, impose a tax, and issue bonds; granting a limited power of eminent domain.

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 3887 to read as follows:

CHAPTER 3887. GUADALUPE COUNTY DEVELOPMENT AND MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3887.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Guadalupe County Development and Management District.

(3) "County" means Guadalupe County.

(4) "Improvement project" means a program or project authorized by Section 3887.102, inside or outside the boundaries of the district.

Sec. 3887.002. CREATION AND NATURE OF DISTRICT. (a) The district is a special district created under Section 59, Article XVI, Texas Constitution, with all of the powers granted by this chapter.

(b) The district is a governmental unit for the purposes of

1 Chapter 101, Civil Practice and Remedies Code, and operations of
2 the district are considered to be essential governmental functions
3 and not proprietary functions for all purposes, including the
4 application of that chapter.

5 Sec. 3887.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
6 creation of the district is essential to accomplish the purposes of
7 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
8 Texas Constitution, and other public purposes stated in this
9 chapter. By creating the district and in authorizing political
10 subdivisions to contract with the district, the legislature has
11 established a program to accomplish the public purposes set out in
12 Section 52-a, Article III, Texas Constitution.

13 (b) The creation of the district is necessary to promote,
14 develop, and protect the environment and the other natural
15 resources of the state, and to encourage and maintain employment,
16 commerce, transportation, housing, tourism, recreation, the arts,
17 entertainment, economic development, safety, and the public
18 welfare in the district.

19 (c) This chapter and the creation of the district may not be
20 interpreted to relieve the county from providing the level of
21 services provided as of the effective date of the Act enacting this
22 chapter to the area in the district. The district is created to
23 supplement and not to supplant county services provided in the
24 district.

25 Sec. 3887.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
26 The district is created to serve a public use and benefit.

27 (b) All land and other property included in the district

1 will benefit from the improvements and services to be provided by
2 the district under powers conferred by Sections 52 and 52-a,
3 Article III, and Section 59, Article XVI, Texas Constitution, and
4 other powers granted under this chapter.

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

7 (1) developing and diversifying the economy of the
8 state;

9 (2) eliminating unemployment and underemployment;

10 (3) providing quality residential housing;

11 (4) developing or expanding transportation and
12 commerce; and

13 (5) improving and enhancing the environment in and
14 around the district and in the county.

15 (d) The district will:

16 (1) promote the health, safety, and general welfare of
17 residents, employers, potential employees, employees, visitors,
18 and consumers in the district, and of the public;

19 (2) provide needed funding for the district to
20 preserve, maintain, and enhance the economic health and vitality of
21 the district territory as a residential community and business
22 center; and

23 (3) promote the health, safety, welfare, and enjoyment
24 of the public by providing pedestrian ways and by landscaping and
25 developing certain areas in the district, which are necessary for
26 the restoration, preservation, and enhancement of scenic beauty and
27 enhancing and improving the environment as an essential natural

1 resource of the state.

2 (e) Pedestrian ways along or across a street, whether at
3 grade or above or below the surface, and street lighting, street
4 landscaping, vehicle parking, and street art objects are parts of
5 and necessary components of a street and are considered to be an
6 improvement project that includes a street or road improvement.

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

10 Sec. 3887.005. DISTRICT TERRITORY. (a) The district is
11 composed of the territory described by Section 2 of the Act enacting
12 this chapter, as that territory may have been modified under
13 Section 3887.107, 3887.202, or other law.

14 (b) A mistake in the field notes of the district contained
15 in Section 2 of the Act enacting this chapter or in copying the
16 field notes in the legislative process does not in any way affect:

17 (1) the district's organization, existence, or
18 validity;

19 (2) the district's right to contract, including the
20 right to issue any type of bond or other obligation for a purpose
21 for which the district is created;

22 (3) the district's right to impose or collect an
23 assessment, tax, or any other revenue; or

24 (4) the legality or operation of the board.

25 Sec. 3887.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

26 (a) If all or any part of the district is annexed into a
27 municipality, any part of the area of the district is eligible to be

included in:

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

(2) a tax abatement reinvestment zone created by the municipality under Chapter 312, Tax Code; or

(3) an enterprise zone created by the municipality under Chapter 2303, Government Code.

(b) If a municipality creates a tax increment reinvestment zone described by Subsection (a), the municipality, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

[Sections 3887.007-3887.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3887.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring July 1 of each odd-numbered year.

Sec. 3887.052. ELECTION DATE. The board shall hold elections for directors on the uniform election date in May of odd-numbered years.

Sec. 3887.053. VACANCY. The board of directors shall appoint a director to fill a vacancy on the board for the remainder of the unexpired term.

1 Sec. 3887.054. ELIGIBILITY. (a) To serve as a director, a
2 person must be at least 18 years old and be:

3 (1) a resident of the district who is also a registered
4 voter of the district;

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

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

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

10 (5) an agent, employee, or tenant of a person covered
11 by Subdivision (2), (3), or (4); or

12 (6) an initial director.

13 (b) Section 49.052, Water Code, does not apply to the
14 district.

15 Sec. 3887.055. DIRECTOR'S OATH OR AFFIRMATION. A
16 director's oath or affirmation of office shall be filed with the
17 district, and the district shall retain the oath or affirmation in
18 the district records.

19 Sec. 3887.056. OFFICERS. The board shall elect from among
20 the directors a presiding officer, an assistant presiding officer,
21 and a secretary.

22 Sec. 3887.057. COMPENSATION, EXPENSES, AND LIABILITY
23 INSURANCE FOR DIRECTORS. (a) The district may compensate each
24 director in an amount not to exceed \$50 for each board meeting. The
25 total amount of compensation for one director may not exceed \$2,000
26 annually.

27 (b) The district shall reimburse directors for necessary

1 and reasonable expenses incurred in carrying out the duties and
2 responsibilities of a director.

3 (c) The district may obtain and pay for comprehensive
4 general liability insurance coverage from commercial insurance
5 companies or other sources that protect and insure the directors
6 against personal liability and from any and all claims for actions
7 taken as directors or actions and activities taken by the district
8 or by others acting on the district's behalf.

9 Sec. 3887.058. CONFLICTS OF INTEREST. (a) A director may
10 participate in all board votes and decisions, subject to the
11 requirements of this section.

12 (b) Section 171.004, Local Government Code, does not apply
13 to the district.

14 (c) A director who has a substantial interest in a business
15 or charitable entity that will receive a pecuniary benefit from a
16 board action shall file an affidavit with the board secretary
17 declaring the interest. Another affidavit is not required if the
18 director's interest changes.

19 (d) After the affidavit is filed, the director may
20 participate in a discussion or vote if:

21 (1) a majority of the appointed directors have a
22 similar interest in the same entity;

23 (2) all other similar businesses or charitable
24 entities in the district will receive a similar pecuniary benefit;
25 or

26 (3) the appointed director is a property owner in the
27 district.

Sec. 3887.059. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

<u>Place No.</u>	<u>Name of Initial Director</u>
<u>Place 1</u>	<u>G. Steven White</u>
<u>Place 2</u>	<u>Christopher Turner</u>
<u>Place 3</u>	<u>Holly White Turner</u>
<u>Place 4</u>	<u>Bradley White</u>
<u>Place 5</u>	<u>Jacob White</u>

(b) Of the initial directors, the terms of directors appointed for places 1 and 2 expire on July 1, 2011, and the terms of the initial directors appointed for places 3, 4, and 5 expire on July 1, 2013.

(c) Section 49.052, Water Code, does not apply to initial directors.

(d) This section expires September 1, 2014.

[Sections 3887.060-3887.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3887.101. GENERAL POWERS AND DUTIES. (a) The district has the duties imposed by this chapter and the powers:

(1) provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) provided by the general laws relating to road districts and road utility districts created under Section 52, Article III, Texas Constitution, including Chapter 441, Transportation Code, except that the district may exercise any

1 power granted by this chapter without regard to any provision or
2 requirement of or procedure prescribed in Chapter 441,
3 Transportation Code;

4 (3) that Subchapter A, Chapter 372, Local Government
5 Code, provides a municipality or a county;

6 (4) provided by Chapter 375, Local Government Code;

7 (5) that Chapter 505, Local Government Code, provides
8 a corporation created under that chapter; and

9 (6) that Chapter 1371, Government Code, provides an
10 issuer.

11 (b) The district's bonds and other securities, and the
12 activities and appointment of the board of the district, are not
13 subject to the jurisdiction or supervision of the Texas Commission
14 on Environmental Quality under Chapter 49, Water Code, Chapter 375,
15 Local Government Code, or any other law.

16 Sec. 3887.102. IMPROVEMENT PROJECTS. (a) The district may
17 provide, or it may enter into contracts with a governmental or
18 private entity to provide, the following types of improvement
19 projects or activities in support of or incidental to those
20 projects:

21 (1) a supply and distribution facility or system to
22 provide potable and nonpotable water to the residents and
23 businesses of the district, including a wastewater collection
24 facility;

25 (2) a paved, macadamized, or graveled road, street, or
26 turnpike, inside and outside the district, to the full extent
27 authorized by Section 52, Article III, Texas Constitution;

1 (3) the planning, design, construction, improvement,
2 and maintenance of:

3 (A) landscaping;

4 (B) highway right-of-way or transit corridor
5 beautification and improvement;

6 (C) lighting, banners, and signs;

7 (D) a street or sidewalk;

8 (E) a hiking and cycling path or trail;

9 (F) a pedestrian walkway, skywalk, crosswalk, or
10 tunnel;

11 (G) a park, lake, garden, recreational facility,
12 community activities center, dock, wharf, sports facility, open
13 space, scenic area, or related exhibit or preserve;

14 (H) a fountain, plaza, or pedestrian mall; or

15 (I) a drainage or storm-water detention
16 improvement;

17 (4) protection and improvement of the quality of storm
18 water that flows through the district;

19 (5) the planning, design, construction, improvement,
20 maintenance, and operation of:

21 (A) a water or sewer facility; or

22 (B) an off-street parking facility or heliport;

23 (6) the planning and acquisition of:

24 (A) public art and sculpture and related exhibits
25 and facilities; or

26 (B) an educational facility and a cultural
27 exhibit or facility;

1 (7) the planning, design, construction, acquisition,
2 lease, rental, improvement, maintenance, installation, and
3 management of and provision of furnishings for a facility for:

4 (A) a conference, convention, or exhibition;

5 (B) a manufacturer, consumer, or trade show;

6 (C) a civic, community, or institutional event;

7 or

8 (D) an exhibit, display, attraction, special
9 event, or seasonal or cultural celebration or holiday;

10 (8) the removal, razing, demolition, or clearing of
11 land or improvements in connection with an improvement project;

12 (9) the acquisition and improvement of land or other
13 property for the mitigation of the environmental effects of an
14 improvement project;

15 (10) the acquisition of property or an interest in
16 property in connection with an authorized improvement project,
17 including any project or projects that are authorized by Subchapter
18 A, Chapter 372, or Chapter 375, Local Government Code;

19 (11) a special or supplemental service for the
20 improvement and promotion of the district or an area adjacent to the
21 district or for the protection of public health and safety or the
22 environment in or adjacent to the district, including:

23 (A) advertising;

24 (B) promotion;

25 (C) tourism;

26 (D) health and sanitation;

27 (E) public safety;

1 (F) security;
2 (G) fire protection or emergency medical
3 services;
4 (H) business recruitment;
5 (I) development;
6 (J) the reduction of automobile traffic volume
7 and congestion, including the provision, construction, and
8 operation of light rail or streetcar systems and services; and
9 (K) recreational, educational, or cultural
10 improvements, enhancements, and services; or
11 (12) any similar public improvement, facility, or
12 service.

13 (b) The district may not undertake a project under this
14 section unless the board determines the project to be necessary to
15 accomplish a public purpose of the district.

16 (c) The district may not provide, conduct, or authorize any
17 improvement project on municipal or county streets, highways,
18 rights-of-way, roads, or easements without the consent of the
19 governing body of the municipality or county, as applicable.

20 (d) For the purposes of this section, planning, design,
21 construction, improvement, and maintenance of a lake includes work
22 done for drainage, reclamation, or recreation.

23 Sec. 3887.103. GENERAL POWERS REGARDING CONTRACTS. (a)
24 The district may:

25 (1) contract with any public or private person, body,
26 or entity to accomplish any district purpose, including a contract
27 for:

1 (A) the payment, repayment, or reimbursement of
2 costs incurred by that person on behalf of the district, including
3 all or part of the costs of an improvement project and interest on
4 the reimbursed cost; or

5 (B) the use, occupancy, lease, rental,
6 operation, maintenance, or management of all or part of a proposed
7 or existing improvement project; and

8 (2) apply for and contract with any public or private
9 person, body, or entity to receive, administer, and perform a duty
10 or obligation of the district under a federal, state, local, or
11 private gift, grant, loan, conveyance, transfer, bequest, or other
12 financial assistance arrangement relating to the investigation,
13 planning, analysis, study, design, acquisition, construction,
14 improvement, completion, implementation, or operation by the
15 district or others of a proposed or existing improvement project.

16 (b) A contract the district enters into to carry out a
17 purpose of this chapter may be on any terms and for any period the
18 board determines, including a negotiable or nonnegotiable note or
19 warrant payable to any other person.

20 (c) Any person, including but not limited to the county, may
21 contract with the district to carry out the purposes of this chapter
22 without further statutory or other authorization.

23 Sec. 3887.104. RULES; ENFORCEMENT. (a) The district may
24 adopt rules:

25 (1) to administer or operate the district;
26 (2) for the use, enjoyment, availability, protection,
27 security, and maintenance of the district's property and

1 facilities; or

2 (3) to provide for public safety and security in the
3 district.

4 (b) The district may enforce its rules by injunctive relief.

5 (c) To the extent a district rule conflicts with a county
6 rule, order, or regulation, the county rule, order, or regulation
7 controls.

8 Sec. 3887.105. NAME CHANGE. The board by resolution may
9 change the district's name. The board shall give written notice of
10 the change to the county and any municipality in which the district
11 is wholly or partly located.

12 Sec. 3887.106. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR
13 FACILITY OF DISTRICT. (a) The board by rule may regulate the
14 private use of a public roadway, open space, park, sidewalk, or
15 similar public area or facility in the district. To the extent the
16 district rules conflict with a rule, order, or regulation of the
17 county or of a municipality in which the district is wholly or
18 partly located, the rule, order, or regulation of the county or
19 municipality controls. A rule may provide for the safe and orderly
20 use of public roadways, open spaces, parks, sidewalks, and similar
21 public areas or facilities in the district.

22 (b) The board may require a permit for a parade,
23 demonstration, celebration, entertainment event, or similar
24 nongovernmental activity in or on a public roadway, open space,
25 park, sidewalk, or similar public area or facility that is owned by
26 the district. The board may charge a fee for the permit application
27 or for public safety or security services for such facilities in an

1 amount the board considers necessary.

2 (c) The board may require a permit or franchise agreement
3 with a vendor, concessionaire, exhibitor, or similar private or
4 commercial person or organization for the limited use of the area or
5 facility owned by the district on terms and on payment of a permit
6 or franchise fee the board may impose.

7 Sec. 3887.107. ADDING OR REMOVING TERRITORY. (a) The board
8 may add or remove territory under Subchapter J, Chapter 49, and
9 Section 54.016, Water Code, except that the addition or removal of
10 the territory must be approved by the owners of the territory being
11 added or removed.

12 (b) A reference to a tax in Subchapter J, Chapter 49, or
13 Section 54.016, Water Code, means an ad valorem tax.

14 (c) Territory may not be removed from the district if bonds
15 or other obligations of the district payable wholly or partly from
16 ad valorem taxes or assessments levied or assessed on the territory
17 are outstanding.

18 Sec. 3887.108. ECONOMIC DEVELOPMENT. The district may
19 create economic development and other programs pursuant to Section
20 52-a, Article III, Texas Constitution, including the imposition and
21 collection of ad valorem taxes for such purposes if approved by the
22 voters of the district at an election, including the economic
23 development powers that:

24 (1) Chapter 380, Local Government Code, provides to a
25 municipality with a population of more than 100,000; and

26 (2) Chapter 1509, Government Code, provides to any
27 municipality.

1 Sec. 3887.109. TERMS OF EMPLOYMENT; COMPENSATION. The
2 board may employ and establish the terms of employment and
3 compensation of an executive director or general manager and any
4 other district employees the board considers necessary.

5 Sec. 3887.110. EMINENT DOMAIN. (a) The district may
6 exercise the power of eminent domain inside district boundaries for
7 any public purpose.

8 (b) The district's power of eminent domain must be exercised
9 in the manner provided by Chapter 21, Property Code.

10 Sec. 3887.111. ZONING BY COUNTY. If requested by the
11 district to exercise zoning powers, the county may exercise, solely
12 in the district boundaries, the zoning powers granted to counties
13 in Subchapter E, Chapter 231, Local Government Code, without
14 holding the election required by Section 231.075, Local Government
15 Code.

16 [Sections 3887.112-3887.150 reserved for expansion]

17 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

18 Sec. 3887.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.
19 Except as provided in an agreement executed pursuant to Section
20 3887.160, the district may:

21 (1) impose an ad valorem tax on all taxable property in
22 the district, including industrial, commercial, and residential
23 property, to pay for an improvement project of the types authorized
24 by Section 52, Article III, and Section 59, Article XVI, Texas
25 Constitution, and to secure the payment of bonds issued for such
26 purposes;

27 (2) impose an assessment on property in the district

1 to pay the cost or the cost of maintenance of any authorized
2 district improvement in the manner provided for:

3 (A) a district under Subchapters A, E, and F,
4 Chapter 375, Local Government Code; or

5 (B) a municipality or county under Subchapter A,
6 Chapter 372, Local Government Code;

7 (3) provide or secure the payment or repayment of any
8 bond, note, or other temporary or permanent obligation or
9 reimbursement or other contract with any person, and the costs and
10 expenses of the establishment, administration, and operation of the
11 district and the district's costs or share of the costs or revenue
12 of an improvement project or district contractual obligation or
13 indebtedness by or through:

14 (A) the imposition of an ad valorem tax or an
15 assessment, user fee, concession fee, or rental charge; or

16 (B) any other revenue or resources of the
17 district, or other revenues, including revenues from a tax
18 increment reinvestment zone created by a municipality in which all
19 or a portion of the territory of the district has been annexed;

20 (4) establish user charges related to the operation of
21 storm-water facilities, including the regulation of storm water for
22 the protection of water quality in the district;

23 (5) establish user charges for the use of potable and
24 nonpotable water of the district;

25 (6) undertake separately or jointly with other
26 persons, including a municipality or the county, all or part of the
27 cost of an improvement project, including an improvement project:

1 (A) for improving, enhancing, and supporting
2 public safety and security, fire protection and emergency medical
3 services, and law enforcement in and adjacent to the district; or

4 (B) that confers a general benefit on the entire
5 district or a special benefit on a definable part of the district;
6 and

7 (7) enter into a tax abatement agreement in accordance
8 with the general laws of this state authorizing and applicable to
9 tax abatement agreements by municipalities.

10 Sec. 3887.152. BORROWING MONEY. The district may borrow
11 money for a district purpose by issuing or executing bonds, notes,
12 credit agreements, or other obligations of any kind found by the
13 board to be necessary or appropriate for a district purpose. The
14 bond, note, credit agreement, or other obligation must be secured
15 by and payable from ad valorem taxes, assessments, or any
16 combination thereof or from other district revenue.

17 Sec. 3887.153. IMPACT FEES AND ASSESSMENTS; EXEMPTION. (a)
18 The district may impose an impact fee or assessment on property in
19 the district, including an impact fee or assessment on residential
20 or commercial property, only in the manner provided by Subchapter
21 A, Chapter 372, or Subchapter F, Chapter 375, Local Government
22 Code, for a municipality, county, or public improvement district,
23 according to the benefit received by the property.

24 (b) An impact fee for residential property must be for the
25 limited purpose of providing capital funding for:

26 (1) public water and wastewater facilities;

27 (2) drainage and storm-water facilities; and

1 (3) streets and alleys.

2 (c) An assessment, a reassessment, or an assessment
3 resulting from an addition to or correction of the assessment roll
4 by the district, penalties and interest on an assessment or
5 reassessment, an expense of collection, and reasonable attorney's
6 fees incurred by the district:

7 (1) are a first and prior lien against the property
8 assessed; and

9 (2) are superior to any other lien or claim other than
10 a lien or claim for county, school district, or municipal ad valorem
11 taxes.

12 (d) The lien of an assessment against property runs with the
13 land. The portion of an assessment payment obligation that has not
14 yet come due is not eliminated by the foreclosure of an ad valorem
15 tax lien, and any purchaser of property in a foreclosure of an ad
16 valorem tax lien takes the property subject to the assessment
17 payment obligations that have not yet come due and to the lien and
18 terms of the lien's payment under the applicable assessment
19 ordinance or order.

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

24 (f) The district may not impose an impact fee on the
25 property, including equipment and facilities, of a public utility
26 provider in the district.

27 Sec. 3887.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section

375.161, Local Government Code, does not apply to the district.

Sec. 3887.155. MAINTENANCE AND OPERATION TAX; ELECTION.

(a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose. The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. If a maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Sec. 3887.156. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has surplus maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Sec. 3887.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) Subject to the requirements of Sections 3887.159 and

1 3887.160, the district by competitive bid or negotiated sale may
2 issue bonds, notes, or other obligations payable wholly or partly
3 from ad valorem taxes or from assessments in the manner provided by
4 Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local
5 Government Code.

6 (b) In exercising the district's borrowing power, the
7 district may issue a bond or other obligation in the form of a bond,
8 note, certificate of participation or other instrument evidencing a
9 proportionate interest in payments to be made by the district, or
10 any other type of obligation.

11 (c) In addition to the sources of money described by
12 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
13 Government Code, district bonds may be secured and made payable,
14 wholly or partly, by a pledge of any part of the money the district
15 receives from system or improvement revenues or from any other
16 source.

17 Sec. 3887.158. BOND MATURITY. Bonds may mature not more
18 than 40 years from their date of issue.

19 Sec. 3887.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a)
20 At the time bonds or other obligations payable wholly or partly from
21 ad valorem taxes are issued:

22 (1) the board shall impose a continuing direct annual
23 ad valorem tax, without limit as to rate or amount, for each year
24 that all or part of the bonds are outstanding; and

25 (2) the district annually shall impose an ad valorem
26 tax on all taxable property in the district in an amount sufficient
27 to:

1 (A) pay the interest on the bonds or other
2 obligations as the interest becomes due;

3 (B) create a sinking fund for the payment of the
4 principal of the bonds or other obligations when due or the
5 redemption price at any earlier required redemption date; and

6 (C) pay the expenses of imposing the taxes.

7 (b) Bonds or other obligations that are secured by and
8 payable from ad valorem taxes may not be issued unless the bonds and
9 the imposition of the taxes are approved by a majority of the
10 district voters voting at an election held for that purpose.

11 (c) The district shall hold an election required by this
12 section in the manner provided by Chapter 54, Water Code, and the
13 Election Code.

14 Sec. 3887.160. DEVELOPMENT AND OPERATING AGREEMENT
15 REQUIRED TO UNDERTAKE IMPROVEMENT PROJECTS, IMPOSE TAXES OR
16 ASSESSMENTS, AND BORROW MONEY, INCLUDING BONDS. (a) After the
17 district's board of directors is organized, but before the district
18 may undertake any improvement project, issue bonds, impose taxes,
19 impose assessments or fees, or borrow money, the district must
20 negotiate and execute with the county a mutually approved and
21 accepted development and operating agreement, including any
22 pre-annexation agreements, and any limitations regarding the plans
23 and rules for:

24 (1) the exercise of the powers granted to the district
25 under this chapter, including the organization, development, and
26 operation of the district;

27 (2) the selection and description of improvement

projects that may be undertaken and financed by the district and the ownership, operation, and maintenance of the improvement projects;

(3) the terms, conditions, methods, means, and amounts of financing authorized by this chapter that the district may undertake in providing improvement projects; and

(4) the amounts, methods, and times of reimbursement to the county for costs and expenses, if any, incurred by the county with respect to the development and operation of the district and the financing of improvement projects by the district.

(b) An agreement required by this section may not be effective until its terms and execution are approved by the board by order or resolution.

[Sections 3887.161-3887.200 reserved for expansion]

SUBCHAPTER E. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3887.201. DIVISION OF DISTRICT; REQUIREMENTS. (a) At any time before the district acquires debt secured by ad valorem taxes, the district may be divided into two or more new districts.

(b) A new district created by division of the district must be at least 50 acres.

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

(d) The board may consider a proposal to divide the district on:

(1) a petition of a landowner in the district; or

(2) a motion by the board.

1 (e) If the board decides to divide the district, the board
2 shall:

3 (1) set the terms of the division, including names for
4 the new districts and a plan for the payment or performance of any
5 outstanding district obligations; and

6 (2) prepare a metes and bounds description for each
7 proposed district.

8 Sec. 3887.202. ELECTION FOR DIVISION OF DISTRICT. (a)
9 After the board has complied with Section 3887.201, the board shall
10 hold an election in the district to determine whether the district
11 should be divided as proposed.

12 (b) The board shall give notice of the election not later
13 than the 35th day before the date of the election. The notice must
14 state:

15 (1) the date and location of the election; and

16 (2) the proposition to be voted on.

17 (c) If a majority of the votes cast are in favor of the
18 division:

19 (1) the district is divided; and

20 (2) not later than the 30th day after the date of the
21 election, the district shall provide written notice of the division
22 to the county.

23 (d) If a majority of the votes cast are not in favor of the
24 division, the district is not divided.

25 Sec. 3887.203. APPOINTMENT OF DIRECTORS OF NEW DISTRICTS.

26 (a) Not later than the 90th day after the date of an election in
27 favor of the division of the district:

1 (1) the board shall appoint itself as the board of one
2 of the new districts; and

3 (2) the board shall appoint five directors having the
4 qualifications established in Section 3887.054 for each new
5 district.

6 (b) Directors appointed under Subsection (a)(1) serve the
7 staggered terms to which they were elected in the original
8 district. Two directors appointed under Subsection (a)(2) serve
9 for two years and three directors serve for four years and until the
10 appointment of successive directors under Subsection (c).

11 (c) Succeeding directors of all districts shall be elected
12 by the respective districts according to the procedure provided by
13 Section 3887.052.

14 Sec. 3887.204. CONTINUING POWERS AND OBLIGATIONS OF NEW
15 DISTRICTS. (a) Each new district may incur and pay debts and has
16 all powers of the original district created by this chapter.

17 (b) If the district is divided as provided by this
18 subchapter, the current obligations and any bond authorizations of
19 the district are not impaired. Debts shall be paid by revenue or by
20 taxes or assessments imposed on real property in the district as if
21 the district had not been divided or by contributions from each new
22 district as stated in the terms set by the board under Section
23 3887.201(e).

24 (c) Any other district obligation is divided pro rata among
25 the new districts on an acreage basis or on other terms that are
26 satisfactory to the boards of the new districts.

27 Sec. 3887.205. CONTRACT AUTHORITY OF NEW DISTRICTS. The

new districts may contract with each other for any matter the boards of the new districts consider appropriate.

[Sections 3887.206-3887.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3887.251. DISSOLUTION BY BOARD ORDER. (a) The board, with the approval of the county, by order may dissolve the district or any additional districts created under Subchapter E.

(b) The board may not dissolve a district until:

(1) the district's outstanding indebtedness and all contractual obligations that are payable from ad valorem taxes or assessments have been paid, satisfied, or discharged; and

(2) if, at the time of dissolution, the district is not situated wholly or partly within a municipality, the county agrees to accept title to all district property and to provide the level of services provided by the district as of the date of dissolution.

(c) If the district is located wholly or partly within a municipality, the municipality may dissolve the district by ordinance at any time after all outstanding debt and contractual obligations of the district that are payable from ad valorem taxes have been paid, satisfied, and discharged. If the district has outstanding debt that is payable from assessments or other district revenue, other than ad valorem taxes, and the municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other indebtedness payable from assessments or district revenue other than ad valorem taxes.

(d) If a municipality dissolves the district, the board

1 shall transfer ownership of all district property to the
2 municipality.

3 SECTION 2. The district shall include the following land,
4 described by metes and bounds as follows:

5 Being approximately 391.262 acres of land situated in the
6 Robert Hall Survey, A-157, Guadalupe County, Texas. Said 391.262
7 acre tract is comprised of part of a tract called 222-3/4 acres
8 tract (Tract First), called 3.1 acre (Tract Second), all of called
9 190.41 acre tract (Tract Third), part of called 160.0 acre tract
10 (Tract Fourth) in conveyance from Mrs. Emma Lillard et al to Tom C.
11 Anderson, recorded in Volume 158, page 531, and part of a tract
12 called 52-1/2 acres in conveyance from Ruby Bryan to Tom C.
13 Anderson, recorded in Volume 268, page 172, of the Deed Records of
14 Guadalupe County, Texas, and being described by metes and bounds as
15 follows, to-wit:

16 Beginning at a 1/2 inch diameter iron pipe found at a
17 three-way fence corner marking the Southeast corner of the tract
18 herein described, same being the South corner of said 190.41 acre
19 tract and lying in the Northeast line of Dowdy School Road (Old
20 State Highway #3);

21 Thence with the fence along the common line of the tract
22 herein described and said Dowdy School Road, same being a segment of
23 the South line of said 190.41 acre tract and said 160.0 acre tract
24 as follows: North 70 degrees 35 minutes 03 seconds West 749.13 feet;
25 North 69 degrees 05 minutes 26 seconds West 503.83 feet; North 68
26 degrees 45 minutes 04 seconds West 353.18 feet; North 77 degrees 00
27 minutes 24 seconds West 96.51 feet; North 85 degrees 04 minutes 56

1 seconds West 81.52 feet; South 82 degrees 47 minutes 06 seconds West
2 100.40 feet; South 76 degrees 58 minutes 29 seconds West 90.59 feet;
3 South 67 degrees 51 minutes 26 seconds West 46.21 feet to a 1 inch
4 diameter iron pipe set marking the Southwest corner of the tract
5 herein described.

6 Thence with the West line of the tract herein described, into
7 and across said 160.0 acre tract, 222-3/4 acre tract and said 52-1/2
8 acre tract, North 0 degrees 42 minutes 22 seconds West at 246.22
9 feet at a 1/2 inch diameter iron stake set and at 5775.99 feet a 1
10 inch diameter iron pipe set marking the West most Northwest corner
11 of the tract herein described and lying in the fence long the North
12 line of said 52-1/2 acre tract and lying in the South line of a tract
13 called 53.16 acres recorded in Volume 469, on page 706;

14 Thence with the fence along a segment of the North line of the
15 tract herein described, same being a segment of the common line of
16 said 52-1/2 acre tract and said 53.16 acre tract, as follows; North
17 88 degrees 33 minutes 40 seconds East 52.89 feet to a 1/2 inch
18 diameter iron pipe found; and North 88 degrees 22 minutes 45 seconds
19 East 295.62 feet to an iron pipe found at a buried stone at a two-way
20 fence corner marking the Northeast corner of said 52-1/2 acre
21 tract, same being the Southeast corner of said 53.16 acre tract and
22 lying in a segment of the West line of said 222-3/4 acre tract;

23 Thence with a fence along the common line of the tract herein
24 described and said 53.16 acre tract, as follows: North 0 degrees 32
25 minutes 11 second East 246.42 feet; and North 0 degrees 28 minutes
26 10 seconds East 193.80 feet to an iron pipe found at a buried stone
27 at a three-way fence corner marking the North most Northwest corner

1 of the tract herein described, same being a re-entrant corner of
2 said 53.16 acre tract and lying in the West line of said 222-3/4
3 acre tract;

4 Thence with a fence along the North line of the tract herein
5 described, same being a segment of the South line of said 53.16 acre
6 tract, into and across said 222-3/4 acre tract as follows: North 88
7 degrees 55 minutes 39 seconds East 262.26 feet; North 89 degrees 28
8 minutes 30 seconds East 637.99 feet; and North 89 degrees 33 minutes
9 42 seconds East 209.00 feet to a 1/2 diameter iron stake set at a
10 buried stone at a three-way fence corner marking the North most
11 Northeast corner of the tract herein described, same being the East
12 most Southeast corner of said 53.16 acre tract. Said iron stake
13 bears South 0 degrees 33 minutes 43 seconds West 232.22 feet from a
14 1 inch diameter iron stake found at a three-way fence corner marking
15 the Northeast corner of said 222-3/4 acre tract and lying in the
16 West line of Country Road 212-A;

17 THENCE with the fence along a segment of the East line of the tract
18 herein described, same being a segment of the East line of said
19 222-3/4 acre tract along a segment of the West line of said County
20 Road 212-A as follows: South 0 degrees 33 minutes 33 seconds East
21 526.42 feet; and South 0 degrees 20 minutes 25 seconds East 529.32
22 feet, to a two-fence corner; thence across an Old County Road and
23 along the Northeast line of said 3.1 acre tract as follows: South 40
24 degrees 41 minutes 11 seconds East 337.20 feet; and South 40 degrees
25 33 minutes 23 seconds East 487.11 feet to a 1/2 inch diameter iron
26 stake set at the intersection of the Southwest line of County Road
27 212-A and the South line of said County Road 212-A;

1 Thence with the common line of the tract herein described and
2 said County Road 212-A as follows: North 89 degrees 23 minutes 38
3 seconds East 405.50 feet; North 89 degrees 25 minutes 58 seconds
4 East 858.03 feet to a two-way fence corner; and South 62 degrees 26
5 minutes 18 seconds East 74.61 feet to a two-way fence corner marking
6 the East most Northeast corner of the tract herein described and
7 being the intersection of the South line of County Road 212-A and
8 the West line of said County Road 212-A;

9 Thence with the fence along the common line of the tract
10 herein described and the West line of said County Road 212-A as
11 follows: South 4 degrees 41 minutes 29 seconds West 1095.75 feet;
12 South 4 degrees 36 minutes 26 seconds West 459.19 feet; South 4
13 degrees 49 minutes 09 seconds West 843.40 feet and South 5 degrees
14 36 minutes 24 seconds West 501.16 feet to a three-way fence corner
15 marking the intersection of said County Road 212-A and the South
16 line of said County Road 212-A and being the approximate location of
17 a re-entrant corner of the Robert Hall Survey, A-157;

18 Thence continuing with a fence along the East line of the
19 tract herein described along said Robert Hall Survey line as
20 follows: South 5 degrees 23 minutes 25 seconds West 848.09 feet;
21 South 4 degrees 06 minutes 59 seconds West 703.93 feet; and South 0
22 degrees 29 minutes 53 seconds West 117.87 feet to a two-way fence
23 corner marking the East most Southeast corner of the tract herein
24 described;

25 Thence with the fence along the segment of the South line of
26 the tract herein described as follows: North 86 degrees 06 minutes
27 24 seconds West 759.57 feet to a 1/2 inch diameter iron pipe found;

1 and South 2 degrees 33 minutes 05 seconds West 606.64 feet to the
2 Place of Beginning, and containing 391.262 acres of land.

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

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

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

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

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect September 1, 2009.