

By: Kuempel

H.B. No. 4755

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Guadalupe County Development and Management District.

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 Chapter 101, Civil Practice and Remedies Code, and operations of the district are considered to be essential governmental functions

1 and not proprietary functions for all purposes, including the
2 application of that chapter.

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

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

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

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

25 (b) All land and other property included in the district
26 will benefit from the improvements and services to be provided by
27 the district under powers conferred by Sections 52 and 52-a,

1 Article III, and Section 59, Article XVI, Texas Constitution, and
2 other powers granted under this chapter.

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

5 (1) developing and diversifying the economy of the
6 state;

7 (2) eliminating unemployment and underemployment;

8 (3) providing quality residential housing;

9 (4) developing or expanding transportation and
10 commerce; and

11 (5) improving and enhancing the environment in and
12 around the district and in the county.

13 (d) The district will:

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

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

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

27 (e) Pedestrian ways along or across a street, whether at

1 grade or above or below the surface, and street lighting, street
2 landscaping, vehicle parking, and street art objects are parts of
3 and necessary components of a street and are considered to be an
4 improvement project that includes a street or road improvement.

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

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

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

15 (1) the district's organization, existence, or
16 validity;

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

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

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

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

24 (a) If all or any part of the district is annexed into a
25 municipality, any part of the area of the district is eligible to be
26 included in:

27 (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.

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

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

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

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

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

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

10 (6) an initial director.

11 (b) Section 49.052, Water Code, does not apply to the
12 district.

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

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

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

25 (b) The district shall reimburse directors for necessary
26 and reasonable expenses incurred in carrying out the duties and
27 responsibilities of a director.

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

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

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

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

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

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

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

24 (3) the appointed director is a property owner in the
25 district.

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

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

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

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

13 (d) This section expires September 1, 2014.

14 [Sections 3887.060-3887.100 reserved for expansion]

15 SUBCHAPTER C. POWERS AND DUTIES

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

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

22 (2) provided by the general laws relating to road
23 districts and road utility districts created under Section 52,
24 Article III, Texas Constitution, including Chapter 441,
25 Transportation Code, except that the district may exercise any
26 power granted by this chapter without regard to any provision or
27 requirement of or procedure prescribed in Chapter 441,

1 Transportation Code;

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

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

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

7 (6) that Chapter 1371, Government Code, provides an
8 issuer.

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

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

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

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

26 (3) the planning, design, construction, improvement,
27 and maintenance of:

- 1 (A) landscaping;
2 (B) highway right-of-way or transit corridor
3 beautification and improvement;
4 (C) lighting, banners, and signs;
5 (D) a street or sidewalk;
6 (E) a hiking and cycling path or trail;
7 (F) a pedestrian walkway, skywalk, crosswalk, or
8 tunnel;
9 (G) a park, lake, garden, recreational facility,
10 community activities center, dock, wharf, sports facility, open
11 space, scenic area, or related exhibit or preserve;
12 (H) a fountain, plaza, or pedestrian mall; or
13 (I) a drainage or storm-water detention
14 improvement;
15 (4) protection and improvement of the quality of storm
16 water that flows through the district;
17 (5) the planning, design, construction, improvement,
18 maintenance, and operation of:
19 (A) a water or sewer facility; or
20 (B) an off-street parking facility or heliport;
21 (6) the planning and acquisition of:
22 (A) public art and sculpture and related exhibits
23 and facilities; or
24 (B) an educational facility and a cultural
25 exhibit or facility;
26 (7) the planning, design, construction, acquisition,
27 lease, rental, improvement, maintenance, installation, and

management of and provision of furnishings for a facility for:

(A) a conference, convention, or exhibition;

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

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

or

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

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

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

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

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

(A) advertising;

(B) promotion;

(C) tourism;

(D) health and sanitation;

(E) public safety;

(F) security;

(G) fire protection or emergency medical

1 services;

2 (H) business recruitment;

3 (I) development;

4 (J) the reduction of automobile traffic volume
5 and congestion, including the provision, construction, and
6 operation of light rail or streetcar systems and services; and

7 (K) recreational, educational, or cultural
8 improvements, enhancements, and services; or

9 (12) any similar public improvement, facility, or
10 service.

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

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

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

21 Sec. 3887.103. GENERAL POWERS REGARDING CONTRACTS. (a)
22 The district may:

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

26 (A) the payment, repayment, or reimbursement of
27 costs incurred by that person on behalf of the district, including

all or part of the costs of an improvement project and interest on the reimbursed cost; or

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

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

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

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

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

(1) to administer or operate the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's property and facilities; or

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

1 district.

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

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

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

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

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

27 (c) The board may require a permit or franchise agreement

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

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

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

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

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

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

24 (2) Chapter 1509, Government Code, provides to any
25 municipality.

26 Sec. 3887.109. TERMS OF EMPLOYMENT; COMPENSATION. The
27 board may employ and establish the terms of employment and

1 compensation of an executive director or general manager and any
2 other district employees the board considers necessary.

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

6 (b) The district may exercise the power of eminent domain
7 outside district boundaries only to construct, acquire, operate,
8 repair, or maintain a water supply line or sanitary sewer line.

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

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

17 [Sections 3887.112-3887.150 reserved for expansion]

18 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

19 Sec. 3887.151. GENERAL POWERS REGARDING FINANCIAL MATTERS.
20 Except as provided in an agreement executed pursuant to Section
21 3887.160, the district may:

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

1 (2) impose an assessment on property in the district
2 to pay the cost or the cost of maintenance of any authorized
3 district improvement in the manner provided for:

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

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

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

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

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

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

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

26 (6) undertake separately or jointly with other
27 persons, including a municipality or the county, all or part of the

cost of an improvement project, including an improvement project:

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

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

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

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

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

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

(1) public water and wastewater facilities;

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

2 (3) streets and alleys.

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

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

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

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

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

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

1 Sec. 3887.154. RESIDENTIAL PROPERTY NOT EXEMPT. Section
2 375.161, Local Government Code, does not apply to the district.

3 Sec. 3887.155. MAINTENANCE AND OPERATION TAX; ELECTION.

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

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

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

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

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

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

27 Sec. 3887.157. BONDS AND OTHER OBLIGATIONS; MUNICIPAL

1 APPROVAL. (a) Subject to the requirements of Sections 3887.159 and
2 3887.160, the district by competitive bid or negotiated sale may
3 issue bonds, notes, or other obligations payable wholly or partly
4 from ad valorem taxes or from assessments in the manner provided by
5 Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local
6 Government Code.

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

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

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

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

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

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

1 to:

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

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

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

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

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

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

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

1 (2) the selection and description of improvement
2 projects that may be undertaken and financed by the district and the
3 ownership, operation, and maintenance of the improvement projects;

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

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

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

14 [Sections 3887.161-3887.200 reserved for expansion]

15 SUBCHAPTER E. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

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

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

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

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

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

1 (2) a motion by the board.

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

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

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

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

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

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

17 (2) the proposition to be voted on.

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

20 (1) the district is divided; and

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

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

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

27 (a) Not later than the 90th day after the date of an election in

favor of the division of the district:

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

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

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

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

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

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

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

1 Sec. 3887.205. CONTRACT AUTHORITY OF NEW DISTRICTS. The
2 new districts may contract with each other for any matter the boards
3 of the new districts consider appropriate.

4 [Sections 3887.206-3887.250 reserved for expansion]

5 SUBCHAPTER F. DISSOLUTION

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

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

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

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

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

1 (d) If a municipality dissolves the district, the board
2 shall transfer ownership of all district property to the
3 municipality.

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

6 Being approximately 797.6 acres of land situated in the
7 Robert Hall Survey, Abstract 11, and the Green DeWitt Survey,
8 Abstract 157, Guadalupe County, Texas, being all that tract of land
9 called 391.262 acres, conveyed to S. White Ranches and Properties
10 Ltd., by deed recorded in Volume 1766, Page 701, Official Records
11 Guadalupe County, Texas, all that tract of land called 251.468
12 acres, conveyed to George F. White and wife Beverly J. White, by
13 deed recorded in Volume 897, Page 545, Official Records Guadalupe
14 County, Texas, and all that tract of land called 155.5 acres,
15 conveyed to George F. White Jr. and wife Beverly White, by deed
16 recorded in Volume 1061, Page 201, Official Records Guadalupe
17 County, Texas, and being more particularly described as follows:

18 Beginning at a point at the intersection of the common line of
19 the Green DeWitt Survey and the Robert Hall Survey and the north
20 right-of-way line Dowdy Road (County Road 212) for the southernmost
21 southwest corner of the 251.468 acre tract and the herein described
22 tract.

23 Thence, in a northerly direction with the southernmost west line of
24 the 251.468 acre tract as follows:

25 N 00° 21' 00" W, 534.26 feet to a point for an angle point.

26 N 01° 17° 48" W, 480.12 feet to a point for an angle point.

27 N 01° 03' 39" W, 423.21 feet to a point for an angle point.

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1 N 00° 42' 10" W, 858.92 feet to a point for an angle point.

2 N 01° 33' 31" W, 1137.48 feet to a point for an angle point.

3 N 00° 12' 02" W, 23.93 feet to a point for the southeast corner
4 of the 155.5 acre, being an interior corner of the herein described
5 tract.

6 Thence, S 89° 50' 22" W, 3083.50 feet with the south line of the
7 155.5 acre tract to a point for the southwest corner of the 155.5
8 acre tract and the westernmost southwest corner of the herein
9 described tract.

10 Thence, N 00° 09' 38" W, 2197.22 feet with the west line of the 155.5
11 acre tract to a point for the northwest corner of the 155.5 acre
12 tract and the westernmost northwest corner of the herein described
13 tract,

14 Thence, N 89° 50' 22" E, 1972.99 feet with the north line of the
15 155.5 acre tract, to a point for the northernmost southwest corner
16 of the 251.468 acre tract, being an interior corner of the herein
17 described tract.

18 Thence, in a northerly direction with the northernmost west line of
19 the 251.468 acre tract as follows:

20 N 01° 15' 15" W, 267.98 feet to a point for an angle point.

21 N 01° 22' 23" W, 209.16 feet to a point for an angle point.

22 N 00° 39' 59" W, 243.49 feet to a point for the northwest
23 corner of the 251.468 acre tract and a northwest corner of the
24 herein described tract.

25 Thence, in an easterly direction with the north line of the 251.468
26 acre tract and the easternmost north line of the 391.262 acre tract
27 as follows:

1 N 89° 14' 29" E, 441.72 feet to a point for an angle point.

2 N 88° 57' 47" E, 637.35 feet to a point for an angle point.

3 N 88° 31' 14" E, 541.94 feet to a point for an angle point.

4 N 88° 40' 46" E, 903.36 feet to a point for an angle point.

5 N 88° 33' 40" E, 300.21 feet to a point for an angle point.

6 N 88° 22' 45" E, 295.62 feet to a point for an interior corner
7 of the 391.262 acre tract and the herein described tract.

8 Thence, N 00° 32' 11" E, 246.42 feet and N 00° 28' 10" E, 193.80 feet
9 with the northernmost west line of the 391.262 acre tract to a point
10 for the northernmost northwest corner of the 391.262 acre tract and
11 the herein described tract.

12 Thence, in an easterly direction with the northernmost north line
13 of the 391.262 acre tract as follows:

14 N 88° 55' 39" E, 262.26 feet to a point for an angle point.

15 N 89° 28' 30" E, 637.99 feet to a point for an angle point.

16 N 89° 33' 42" E, 209.00 feet to a point for the northernmost
17 northeast corner of the 391.262 acre tract and the herein described
18 tract.

19 Thence, S 00° 33' 33" E, 526.42 feet, and S 00° 20' 25" E, 529.32 feet
20 with the northernmost east line of the 391.262 acre tract to a point
21 for an interior corner of the 391.262 acre tract and the herein
22 described tract.

23 Thence, S 40° 41' 11" E, 337.20 feet and S 40° 33' 23" E, 487.11 feet
24 with the northernmost northeast line of the 391.262 acre tract to a
25 point for an interior corner of the 391.262 acre tract and the
26 herein described tract.

27 Thence, in an easterly direction with the easternmost north line of

1 the 391.262 acre tract as follows:

2 N 89° 23' 38" E, 405.50 feet to a point for an angle point.

3 N 89° 25' 58" E, 858.03 feet to a point for an angle point.

4 S 62° 26' 18" E, 74.61 feet a point for the easternmost
5 northeast corner of the 391.262 acre tract and the herein described
6 tract.

7 Thence, in a southerly direction with the easternmost east line of
8 the 391.262 acre tract as follows:

9 S 04° 41' 29" W, 1095.75 feet to a point for an angle point.

10 S 04° 36' 26" W, 459.19 feet to a point for an angle point.

11 S 04° 49' 09" W, 843.40 feet to a point for an angle point.

12 S 05° 36' 24" W, 501.16 feet to a point for an angle point.

13 S 05° 23' 25" W, 848.09 feet to a point for an angle point.

14 S 04° 06' 59" W, 703.93 feet to a point for an angle point.

15 S 13° 57' 35" W, 119.70 feet to a point for the easternmost
16 southeast corner of the 391.262 acre tract and the herein described
17 tract.

18 Thence, N 86° 05' 25" W, 736.10 feet with the easternmost south line
19 of the 391.262 acre tract to a point for an interior corner of the
20 391.262 acre tract and the herein described tract.

21 Thence, S 19° 54' 35" W, 607.70 feet with the southernmost east line
22 of the 391.262 acre tract to a point in the northeast right-of-way
23 line Dowdy Road for the southernmost southeast corner of the
24 391.262 acre tract and the herein described tract.

25 Thence, in a westerly direction with the northeast, the north and
26 the northwest right-of-way line Dowdy Road and the southwest, south
27 and southeast line of the of the 391.262 acre tract and the 251.468

1 acre tract as follows:

2 N 70° 30' 16" W, 755.54 feet to a point for an angle point.
3 N 69° 05' 26" W, 503.83 feet to a point for an angle point.
4 N 68° 45' 04" W, 353.18 feet to a point for an angle point.
5 N 77° 00' 24" W, 96.51 feet to a point for an angle point.
6 N 85° 04' 56" W, 81.52 feet to a point for an angle point.
7 S 82° 47' 06" W, 100.40 feet to a point for an angle point.
8 S 76° 58' 29" W, 90.59 feet to a point for an angle point.
9 S 67° 51' 26" W, 137.23 feet to a point for an angle point.
10 S 67° 36' 41" W, 287.42 feet to a point for an angle point.
11 S 67° 43' 27" W, 324.71 feet to a point for an angle point.
12 S 67° 19' 49" W, 287.43 feet to a point for an angle point.
13 S 69° 42' 13" W, 271.06 feet to a point for an angle point.
14 S 61° 42' 35" W, 41.74 feet to a point for an angle point.
15 S 70° 10' 31" W, 398.87 feet to a point for an angle point.
16 S 67° 10' 10" W, 72.00 feet to the Place of Beginning and
17 containing 797.6 acre of land more or less.

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

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

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

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

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