

1-1 By: Kuempel (Senate Sponsor - Wentworth) H.B. No. 4755  
1-2 (In the Senate - Received from the House May 18, 2009;  
1-3 May 19, 2009, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 22, 2009, reported adversely,  
1-5 with favorable Committee Substitute by the following vote: Yeas 4,  
1-6 Nays 0; May 22, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 4755 By: Wentworth

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation of the Guadalupe County Development and  
1-11 Management District; providing authority to impose an assessment,  
1-12 impose a tax, and issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
1-15 Code, is amended by adding Chapter 3887 to read as follows:

1-16 CHAPTER 3887. GUADALUPE COUNTY DEVELOPMENT AND MANAGEMENT DISTRICT

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3887.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the board of directors of the  
1-20 district.

1-21 (2) "County" means Guadalupe County.

1-22 (3) "District" means the Guadalupe County Development  
1-23 and Management District.

1-24 (4) "Improvement project" means a program or project  
1-25 authorized by Section 3887.102, inside or outside the boundaries of  
1-26 the district.

1-27 Sec. 3887.002. CREATION AND NATURE OF DISTRICT. (a) The  
1-28 district is a special district created under Section 59, Article  
1-29 XVI, Texas Constitution, with all of the powers granted by this  
1-30 chapter.

1-31 (b) The district is a governmental unit for the purposes of  
1-32 Chapter 101, Civil Practice and Remedies Code, and operations of  
1-33 the district are considered to be essential governmental functions  
1-34 and not proprietary functions for all purposes, including the  
1-35 application of that chapter.

1-36 Sec. 3887.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The  
1-37 creation of the district is essential to accomplish the purposes of  
1-38 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
1-39 Texas Constitution, and other public purposes stated in this  
1-40 chapter. By creating the district and in authorizing political  
1-41 subdivisions to contract with the district, the legislature has  
1-42 established a program to accomplish the public purposes set out in  
1-43 Section 52-a, Article III, Texas Constitution.

1-44 (b) The creation of the district is necessary to promote,  
1-45 develop, and protect the environment and the other natural  
1-46 resources of the state, and to encourage and maintain employment,  
1-47 commerce, transportation, housing, tourism, recreation, the arts,  
1-48 entertainment, economic development, safety, and the public  
1-49 welfare in the district.

1-50 (c) This chapter and the creation of the district may not be  
1-51 interpreted to relieve the county from providing the level of  
1-52 services provided as of the effective date of the Act enacting this  
1-53 chapter to the area in the district. The district is created to  
1-54 supplement and not to supplant county services provided in the  
1-55 district.

1-56 Sec. 3887.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)  
1-57 The district is created to serve a public use and benefit.

1-58 (b) All land and other property included in the district  
1-59 will benefit from the improvements and services to be provided by  
1-60 the district under powers conferred by Sections 52 and 52-a,  
1-61 Article III, and Section 59, Article XVI, Texas Constitution, and  
1-62 other powers granted under this chapter.

1-63 (c) The creation of the district is in the public interest

and is essential to further the public purposes of:

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

(2) eliminating unemployment and underemployment;

(3) providing quality residential housing;

(4) developing or expanding transportation and commerce; and

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

(d) The district will:

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

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

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

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

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

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

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

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

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

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

(4) the legality or operation of the board.

Sec. 3887.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

(a) If all or any part of the district is annexed into a 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.

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

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

(2) an owner of property in the district;

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

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

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

(6) an initial director.

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

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

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

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

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

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

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

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

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

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

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

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

(3) the appointed director is a property owner in the 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. 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 power granted by this chapter without regard to any provision or requirement of or procedure prescribed in Chapter 441, Transportation Code;

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

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

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

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

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

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

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

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

(A) landscaping;

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

(C) lighting, banners, and signs;

(D) a street or sidewalk;

(E) a hiking and cycling path or trail;

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

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

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

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

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

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

(A) a water or sewer facility; or

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

(6) the planning and acquisition of:

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

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

(7) the planning, design, construction, acquisition,

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 services;

(H) business recruitment;

(I) development;

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

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

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

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

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

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

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

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

(A) the payment, repayment, or reimbursement of 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 district.

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

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

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

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

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

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

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

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

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

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

- (1) Chapter 380, Local Government Code, provides to a municipality with a population of more than 100,000; and
- (2) Chapter 1509, Government Code, provides to any municipality.

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

Sec. 3887.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

[Sections 3887.111-3887.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

(6) undertake separately or jointly with other 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;

(2) drainage and storm-water facilities; and

(3) streets and alleys.

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

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

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

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

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

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

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

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

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



9-1 Sec. 3887.158. BOND MATURITY. Bonds may mature not more  
 9-2 than 40 years from their date of issue.

9-3 Sec. 3887.159. TAXES FOR BONDS AND OTHER OBLIGATIONS. (a)  
 9-4 At the time bonds or other obligations payable wholly or partly from  
 9-5 ad valorem taxes are issued:

9-6 (1) the board shall impose a continuing direct annual  
 9-7 ad valorem tax, without limit as to rate or amount, for each year  
 9-8 that all or part of the bonds are outstanding; and

9-9 (2) the district annually shall impose an ad valorem  
 9-10 tax on all taxable property in the district in an amount sufficient  
 9-11 to:

9-12 (A) pay the interest on the bonds or other  
 9-13 obligations as the interest becomes due;

9-14 (B) create a sinking fund for the payment of the  
 9-15 principal of the bonds or other obligations when due or the  
 9-16 redemption price at any earlier required redemption date; and

9-17 (C) pay the expenses of imposing the taxes.

9-18 (b) Bonds or other obligations that are secured by and  
 9-19 payable from ad valorem taxes may not be issued unless the bonds and  
 9-20 the imposition of the taxes are approved by a majority of the  
 9-21 district voters voting at an election held for that purpose.

9-22 (c) The district shall hold an election required by this  
 9-23 section in the manner provided by Chapter 54, Water Code, and the  
 9-24 Election Code.

9-25 Sec. 3887.160. DEVELOPMENT AND OPERATING AGREEMENT  
 9-26 REQUIRED TO UNDERTAKE IMPROVEMENT PROJECTS, IMPOSE TAXES OR  
 9-27 ASSESSMENTS, AND BORROW MONEY, INCLUDING BONDS. (a) After the  
 9-28 district's board of directors is organized, but before the district  
 9-29 may undertake any improvement project, issue bonds, impose taxes,  
 9-30 impose assessments or fees, or borrow money, the district must  
 9-31 negotiate and execute with the county a mutually approved and  
 9-32 accepted development and operating agreement, including any  
 9-33 pre-annexation agreements, and any limitations regarding the plans  
 9-34 and rules for:

9-35 (1) the exercise of the powers granted to the district  
 9-36 under this chapter, including the organization, development, and  
 9-37 operation of the district;

9-38 (2) the selection and description of improvement  
 9-39 projects that may be undertaken and financed by the district and the  
 9-40 ownership, operation, and maintenance of the improvement projects;

9-41 (3) the terms, conditions, methods, means, and amounts  
 9-42 of financing authorized by this chapter that the district may  
 9-43 undertake in providing improvement projects; and

9-44 (4) the amounts, methods, and times of reimbursement  
 9-45 to the county for costs and expenses, if any, incurred by the county  
 9-46 with respect to the development and operation of the district and  
 9-47 the financing of improvement projects by the district.

9-48 (b) An agreement required by this section may not be  
 9-49 effective until its terms and execution are approved by the board by  
 9-50 order or resolution.

9-51 [Sections 3887.161-3887.200 reserved for expansion]

#### 9-52 SUBCHAPTER E. DISSOLUTION

9-53 Sec. 3887.201. DISSOLUTION BY BOARD ORDER. (a) The board,  
 9-54 with the approval of the county, by order may dissolve the district.

9-55 (b) The board may not dissolve a district until:

9-56 (1) the district's outstanding indebtedness and all  
 9-57 contractual obligations that are payable from ad valorem taxes or  
 9-58 assessments have been paid, satisfied, or discharged; and

9-59 (2) if, at the time of dissolution, the district is not  
 9-60 situated wholly or partly within a municipality, the county agrees  
 9-61 to accept title to all district property and to provide the level of  
 9-62 services provided by the district as of the date of dissolution.

9-63 (c) If the district is located wholly or partly within a  
 9-64 municipality, the municipality may dissolve the district by  
 9-65 ordinance at any time after all outstanding debt and contractual  
 9-66 obligations of the district that are payable from ad valorem taxes  
 9-67 have been paid, satisfied, and discharged. If the district has  
 9-68 outstanding debt that is payable from assessments or other district  
 9-69 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 shall transfer ownership of all district property to the municipality.

SECTION 2. The Guadalupe County Development and Management District shall include the following land, described by metes and bounds as follows:

Being a 391.0 acre tract of land situated in the Robert Hall Survey, Abstract 11, Guadalupe County, Texas, being all that tract of land called 391.262 acres, conveyed to S. White Ranches and Properties Ltd., by deed recorded in Volume 1766, Page 701, Official Records Guadalupe County, Texas, and being more particularly described as follows:

Beginning at a point in the northwest right-of-way line of Dowdy Road for the southeast corner of a tract of land called 251.468 acres, described in Volume 897, Page 545, Official Records Guadalupe County, Texas, the southwest corner of the 391.262 acre tract and the herein described tract.

Thence, North  $00^{\circ} 42' 22''$  W, 5775.99 feet with the east line of the 251.468 acre tract and the west line of the 391.262 acre tract, to a point for the northeast corner of the 251.468 acre tract, the northwest corner of the 391.262 acre tract and the herein described tract.

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

N  $88^{\circ} 33' 40''$  E, 52.89 feet to a point for an angle point.

N  $88^{\circ} 22' 45''$  E, 295.62 feet to a point for an interior corner of the 391.262 acre tract and the herein described tract.

Thence, N  $00^{\circ} 32' 11''$  E, 246.42 feet and N  $00^{\circ} 28' 10''$  E, 193.80 feet with the northernmost west line of the 391.262 acre tract to a point for the northernmost northwest corner of the 391.262 acre tract and the herein described tract.

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

N  $88^{\circ} 55' 39''$  E, 262.26 feet to a point for an angle point.

N  $89^{\circ} 28' 30''$  E, 637.99 feet to a point for an angle point.

N  $89^{\circ} 33' 42''$  E, 209.00 feet to a point for the northernmost northeast corner of the 391.262 acre tract and the herein described tract.

Thence, S  $00^{\circ} 33' 33''$  E, 526.42 feet, and S  $00^{\circ} 20' 25''$  E, 529.32 feet with the northernmost east line of the 391.262 acre tract to a point for an interior corner of the 391.262 acre tract and the herein described tract.

Thence, S  $40^{\circ} 41' 11''$  E, 337.20 feet and S  $40^{\circ} 33' 23''$  E, 487.11 feet with the northernmost northeast line of the 391.262 acre tract to a point for an interior corner of the 391.262 acre tract and the herein described tract.

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

N  $89^{\circ} 23' 38''$  E, 405.50 feet to a point for an angle point.

N  $89^{\circ} 25' 58''$  E, 858.03 feet to a point for an angle point.

S  $62^{\circ} 26' 18''$  E, 74.61 feet a point for the easternmost northeast corner of the 391.262 acre tract and the herein described tract.

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

S  $04^{\circ} 41' 29''$  W, 1095.75 feet to a point for an angle point.

S  $04^{\circ} 36' 26''$  W, 459.19 feet to a point for an angle point.

S  $04^{\circ} 49' 09''$  W, 843.40 feet to a point for an angle point.

S  $05^{\circ} 36' 24''$  W, 501.16 feet to a point for an angle point.

S  $05^{\circ} 23' 25''$  W, 848.09 feet to a point for an angle point.

S  $04^{\circ} 06' 59''$  W, 703.93 feet to a point for an angle point.

S  $13^{\circ} 57' 35''$  W, 119.70 feet to a point for the easternmost southeast corner of the 391.262 acre tract and the herein described tract.

Thence, N  $86^{\circ} 05' 25''$  W, 736.10 feet with the easternmost south line

of the 391.262 acre tract to a point for an interior corner of the 391.262 acre tract and the herein described tract.

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

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

N 70° 30' 16" W, 755.54 feet to a point for an angle point.

N 69° 05' 26" W, 503.83 feet to a point for an angle point.

N 68° 45' 04" W, 353.18 feet to a point for an angle point.

N 77° 00' 24" W, 96.51 feet to a point for an angle point.

N 85° 04' 56" W, 81.52 feet to a point for an angle point.

S 82° 47' 06" W, 100.40 feet to a point for an angle point.

S 76° 58' 29" W, 90.59 feet to a point for an angle point.

S 67° 51' 26" W, 46.21 feet to the Place of Beginning and containing 391.0 acres of land more or less.

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

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

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

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

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

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