

By: Christian

H.B. No. 863

Substitute the following for H.B. No. 863:

By: King of Parker

C.S.H.B. No. 863

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Timber Springs Municipal Management District; providing authority to impose a tax, levy an assessment, and issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3897 to read as follows:

CHAPTER 3897. TIMBER SPRINGS MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3897.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Timber Springs Municipal Management District.

(4) "Improvement project" means a project authorized by Subchapter C-1.

Sec. 3897.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3897.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing a

1 municipality in which the district is located and other political
2 subdivisions to contract with the district, the legislature has
3 established a program to accomplish the public purposes set out in
4 Section 52-a, Article III, Texas Constitution.

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

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

16 Sec. 3897.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
17 The district is created to serve a public use and benefit.

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

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

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

27 (2) eliminating unemployment and underemployment;

1 (3) providing quality residential housing; and
2 (4) developing or expanding transportation and
3 commerce.

4 (d) The district will:

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

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

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

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

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

24 Sec. 3897.005. DISTRICT TERRITORY. (a) The district is
25 composed of the territory described by Section 2 of the Act enacting
26 this chapter, as that territory may have been modified under
27 Section 3897.111 or other law.

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

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

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

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

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

12 Sec. 3897.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

13 (a) All or any part of the area of the district is eligible to be
14 included in:

15 (1) a tax increment reinvestment zone created by a
16 municipality in which the district is located under Chapter 311,
17 Tax Code;

18 (2) a tax abatement reinvestment zone created by a
19 municipality in which the district is located under Chapter 312,
20 Tax Code; or

21 (3) an enterprise zone created by a municipality in
22 which the district is located under Chapter 2303, Government Code.

23 (b) If a municipality in which the district is located
24 creates a tax increment reinvestment zone described by Subsection
25 (a), the municipality and the board of directors of the zone, by
26 contract with the district, may grant money deposited in the tax
27 increment fund to the district to be used by the district for the

1 purposes permitted for money granted to a corporation under Section
2 380.002(b), Local Government Code, including the right to pledge
3 the money as security for any bonds issued by the district for an
4 improvement project.

5 [Sections 3897.007-3897.050 reserved for expansion]

6 SUBCHAPTER B. BOARD OF DIRECTORS

7 Sec. 3897.051. GOVERNING BODY; TERMS. The district is
8 governed by a board of five directors who serve staggered terms of
9 four years, with two or three directors' terms expiring May 31 of
10 each even-numbered year.

11 Sec. 3897.052. ELECTION DATE. The board shall hold an
12 election for directors on the uniform election date in May in
13 even-numbered years.

14 Sec. 3897.053. ELIGIBILITY. (a) To be qualified to serve
15 as a director, a person must be:

16 (1) an owner of real property in the district; or

17 (2) an employee of a person described by Subdivision
18 (1).

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

21 Sec. 3897.054. VACANCY. (a) The remaining directors shall
22 fill a vacancy on the board by appointing a person who meets the
23 qualifications prescribed by Section 3897.053.

24 (b) If there are fewer than three directors, the governing
25 body of the largest municipality in which the district is located
26 shall appoint the necessary number of directors to fill all board
27 vacancies.

1 Sec. 3897.055. DIRECTOR'S OATH OR AFFIRMATION. A director
2 shall file the director's oath or affirmation of office with the
3 district, and the district shall retain the oath or affirmation in
4 the district records.

5 Sec. 3897.056. OFFICERS. The board shall elect from among
6 the directors a chair, a vice chair, and a secretary.

7 Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
8 EXPENSES. (a) The district may compensate each director in an
9 amount not to exceed \$50 for each board meeting. The total amount
10 of compensation a director may receive each year may not exceed
11 \$2,000.

12 (b) A director is entitled to reimbursement for necessary
13 and reasonable expenses incurred in carrying out the duties and
14 responsibilities of a director.

15 Sec. 3897.058. INITIAL DIRECTORS. (a) The initial board
16 consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Charles F. Jordan</u>
<u>2</u>	<u>Darren Woody</u>
<u>3</u>	<u>Rob Hutchison</u>
<u>4</u>	<u>Joe Geer</u>
<u>5</u>	<u>Nick Craig</u>

23 (b) Of the initial directors, the terms of directors
24 appointed for positions 1 and 2 expire May 31, 2012, and the terms
25 of directors appointed for positions 3 through 5 expire May 31,
26 2014.

27 (c) This section expires September 1, 2014.

1 [Sections 3897.059-3897.100 reserved for expansion]

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3897.101. IMPROVEMENT PROJECTS. The district may
4 provide, or it may enter into contracts with a governmental or
5 private entity to provide, the improvement projects described by
6 Subchapter C-1 or activities in support of or incidental to those
7 projects.

8 Sec. 3897.102. WATER DISTRICT POWERS. The district has the
9 powers provided by the general laws relating to conservation and
10 reclamation districts created under Section 59, Article XVI, Texas
11 Constitution, including Chapters 49 and 54, Water Code.

12 Sec. 3897.103. ROAD DISTRICT POWERS; EXCEPTION. (a)
13 Except as provided by Subsection (b), the district has the powers
14 provided by the general laws relating to road districts and road
15 utility districts created under Section 52(b), Article III, Texas
16 Constitution, including Chapter 441, Transportation Code.

17 (b) The district may exercise any power granted by this
18 chapter and by Chapter 441, Transportation Code, without regard to
19 any provision or requirement of, or procedure or maintenance tax
20 rate limitation prescribed by, Chapter 441, Transportation Code.

21 Sec. 3897.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The
22 district has the powers provided by Subchapter A, Chapter 372,
23 Local Government Code, to a municipality or county.

24 Sec. 3897.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The
25 district has the powers provided by Chapter 375, Local Government
26 Code.

27 Sec. 3897.106. RULES; ENFORCEMENT. (a) The district may

1 adopt rules:

2 (1) to administer or operate the district;

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

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

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

9 Sec. 3897.107. CONFLICT WITH MUNICIPAL RULE, ORDER, OR
10 ORDINANCE. To the extent a district rule conflicts with a rule,
11 order, or ordinance of a municipality in which the district is
12 located, the municipal rule, order, or ordinance controls.

13 Sec. 3897.108. NAME CHANGE. The board by resolution may
14 change the district's name. The board shall give written notice of
15 the change to each municipality in which the district is located.

16 Sec. 3897.109. TERMS OF EMPLOYMENT; COMPENSATION. The
17 board may employ and establish the terms of employment and
18 compensation of an executive director or general manager and any
19 other district employees the board considers necessary.

20 Sec. 3897.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR
21 FACILITY OF DISTRICT. (a) The board by rule may regulate the
22 private use of a public roadway, open space, park, sidewalk, or
23 similar public area or facility in the district. A rule may provide
24 for the safe and orderly use of public roadways, open spaces, parks,
25 sidewalks, and similar public areas or facilities.

26 (b) The board may require a permit for a parade,
27 demonstration, celebration, entertainment event, or similar

1 nongovernmental activity in or on a public roadway, open space,
2 park, sidewalk, or similar public area or facility owned by the
3 district. The board may charge a fee for the permit application or
4 for public safety or security services for those facilities in an
5 amount the board considers necessary.

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

11 Sec. 3897.111. ADDING OR REMOVING TERRITORY. As provided
12 by Subchapter J, Chapter 49, Water Code, the board may add territory
13 to the district, subject to Section 54.016, Water Code, or remove
14 territory from the district, except that:

15 (1) the addition or removal of the territory must be
16 approved by:

17 (A) the governing body of the municipality in
18 which the territory is located, as applicable; and

19 (B) the owners of the territory being added or
20 removed;

21 (2) a reference to a tax in Subchapter J, Chapter 49,
22 or Section 54.016, Water Code, means an ad valorem tax; and

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

27 Sec. 3897.112. ECONOMIC DEVELOPMENT. (a) The district may

1 create an economic development program authorized by Section 52-a,
2 Article III, Texas Constitution.

3 (b) The district may exercise the economic development
4 powers that:

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

7 (2) Chapter 1509, Government Code, provides to a
8 municipality.

9 Sec. 3897.113. NO EMINENT DOMAIN POWER. The district may
10 not exercise the power of eminent domain.

11 [Sections 3897.114-3897.150 reserved for expansion]

12 SUBCHAPTER C-1. IMPROVEMENT PROJECTS

13 Sec. 3897.151. BOARD DETERMINATION REQUIRED. The district
14 may not undertake an improvement project unless the board
15 determines the project to be necessary to accomplish a public
16 purpose of the district.

17 Sec. 3897.152. LOCATION OF IMPROVEMENT PROJECT. An
18 improvement project may be inside or outside the district.

19 Sec. 3897.153. MUNICIPAL REQUIREMENTS. (a) An improvement
20 project in a municipality must comply with any applicable municipal
21 requirements, including codes and ordinances.

22 (b) The district may not provide, conduct, or authorize any
23 improvement project on the municipality's streets, highways,
24 rights-of-way, or easements without the consent of the governing
25 body of that municipality.

26 Sec. 3897.154. LAKE. For the purposes of this subchapter,
27 planning, design, construction, improvement, or maintenance of a

1 lake includes work done for drainage, reclamation, or recreation.

2 Sec. 3897.155. WATER. (a) An improvement project may
3 include a supply and distribution facility or system to provide
4 potable and nonpotable water to the residents and businesses of the
5 district, including a wastewater collection facility.

6 (b) The district may plan, design, construct, improve,
7 maintain, or operate a water or sewer facility under this section.

8 Sec. 3897.156. ROADS. An improvement project may include a
9 paved, macadamized, or graveled road or street inside and outside
10 the district, to the full extent authorized by Section 52, Article
11 III, Texas Constitution.

12 Sec. 3897.157. STORM WATER. An improvement project may
13 include protection and improvement of the quality of storm water
14 that flows through the district.

15 Sec. 3897.158. PARKING OR HELIPORT. An improvement project
16 may include the planning, design, construction, improvement,
17 maintenance, and operation of an off-street parking facility or
18 heliport.

19 Sec. 3897.159. EDUCATION AND CULTURE. An improvement
20 project may include the planning and acquisition of:

21 (1) public art and sculpture and related exhibits and
22 facilities; or

23 (2) an educational facility and a cultural exhibit or
24 facility.

25 Sec. 3897.160. CONVENTION CENTER. An improvement project
26 may include the planning, design, construction, acquisition,
27 lease, rental, improvement, maintenance, installation, and

1 management of and provision of furnishings for a facility for:

2 (1) a conference, convention, or exhibition;

3 (2) a manufacturer, consumer, or trade show;

4 (3) a civic, community, or institutional event; or

5 (4) an exhibit, display, attraction, special event, or

6 seasonal or cultural celebration or holiday.

7 Sec. 3897.161. DEMOLITION. An improvement project may
8 include the removal, razing, demolition, or clearing of land or
9 improvements in connection with an improvement project.

10 Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An
11 improvement project may include the acquisition and improvement of
12 land or other property for the mitigation of the environmental
13 effects of an improvement project.

14 Sec. 3897.163. ACQUISITION OF PROPERTY. An improvement
15 project may include the acquisition of property or an interest in
16 property in connection with an improvement project, including a
17 project authorized by Subchapter A, Chapter 372, Local Government
18 Code.

19 Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An
20 improvement project may include a special or supplemental service
21 for the improvement and promotion of the district or an area
22 adjacent to the district or for the protection of public health and
23 safety in or adjacent to the district, including:

24 (1) advertising;

25 (2) promotion;

26 (3) tourism;

27 (4) health and sanitation;

- 1 (5) public safety;
- 2 (6) security;
- 3 (7) fire protection or emergency medical services;
- 4 (8) business recruitment;
- 5 (9) development;
- 6 (10) the elimination of traffic congestion; and
- 7 (11) recreational, educational, or cultural
- 8 improvements, enhancements, and services.

9 Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
10 MAINTENANCE. An improvement project may include the planning,
11 design, construction, improvement, and maintenance of:

- 12 (1) landscaping;
- 13 (2) highway right-of-way or transit corridor
- 14 beautification and improvement;
- 15 (3) lighting, banners, and signs;
- 16 (4) a street or sidewalk;
- 17 (5) a hiking and cycling path or trail;
- 18 (6) a pedestrian walkway, skywalk, crosswalk, or
- 19 tunnel;
- 20 (7) a park, lake, garden, recreational facility,
- 21 community activities center, dock, wharf, sports facility, open
- 22 space, scenic area, or related exhibit or preserve;
- 23 (8) a fountain, plaza, or pedestrian mall; or
- 24 (9) a drainage or storm water detention improvement.

25 Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An
26 improvement project may include a public improvement, facility, or
27 service similar to a project described by this subchapter.

1 [Sections 3897.167-3897.200 reserved for expansion]

2 SUBCHAPTER C-2. CONTRACTS

3 Sec. 3897.201. GENERAL CONTRACT POWERS. The district may
4 contract with any person to accomplish any district purpose.

5 Sec. 3897.202. CONTRACT TERMS. (a) In this section, "note"
6 includes a bond anticipation note.

7 (b) A contract the district enters into to carry out a
8 purpose of this chapter may be on any terms and for any period the
9 board determines, including an obligation to issue a negotiable or
10 nonnegotiable note or warrant payable to a municipality, a county,
11 or any other person for the payment or reimbursement of any district
12 costs.

13 Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may
14 contract with any person for the payment, repayment, or
15 reimbursement of costs incurred by that person on behalf of the
16 district, including all or part of the costs of an improvement
17 project and interest on the reimbursed cost.

18 Sec. 3897.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The
19 district may contract with any person for the use, occupancy,
20 lease, rental, operation, maintenance, or management of all or part
21 of a proposed or existing improvement project.

22 (b) The district may apply for and contract with any person
23 to receive, administer, and perform a duty or obligation of the
24 district under a federal, state, local, or private gift, grant,
25 loan, conveyance, transfer, bequest, or other financial assistance
26 arrangement relating to the investigation, planning, analysis,
27 study, design, acquisition, construction, improvement, completion,

1 implementation, or operation by the district or others of a
2 proposed or existing improvement project.

3 Sec. 3897.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED.
4 Any person, including a municipality or county in which the
5 district is located, may contract with the district to carry out the
6 purposes of this chapter without further statutory or other
7 authorization.

8 [Sections 3897.206-3897.250 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
11 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
12 may issue bonds, impose taxes, or borrow money, the district and
13 each municipality in which the district is located must negotiate
14 and execute a project development agreement regarding the
15 development plans and rules for:

- 16 (1) the development and operation of the district; and
17 (2) the financing of improvement projects.

18 Sec. 3897.252. BORROWING MONEY. (a) In this section,
19 "note" includes a bond anticipation note.

20 (b) The district may borrow money for a district purpose by
21 issuing or executing bonds, negotiable or nonnegotiable notes,
22 credit agreements, or other obligations of any kind found by the
23 board to be necessary or appropriate for a district purpose. The
24 bond, note, credit agreement, or other obligation must be secured
25 by and payable from any combination of ad valorem taxes,
26 assessments, future bond proceeds, or any other district revenue or
27 sources of money.

1 Sec. 3897.253. GENERAL POWERS REGARDING PAYMENT OF DISTRICT
2 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
3 secure the payment or repayment of any bond, note, or other
4 temporary or permanent obligation or reimbursement or other
5 contract with any person and the costs and expenses of the
6 establishment, administration, and operation of the district and
7 the district's costs or share of the costs or revenue of an
8 improvement project or district contractual obligation or
9 indebtedness by:

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

12 (2) any other revenue or resources of the district,
13 including bond proceeds, or other revenue received under an
14 agreement with a municipality, including revenue from a tax
15 increment reinvestment zone created by the municipality.

16 Sec. 3897.254. ASSESSMENTS. (a) The district may impose an
17 assessment on property in the district to pay the cost or the cost
18 of maintenance of any authorized district improvement in the manner
19 provided for:

20 (1) a district under Subchapters A, E, and F, Chapter
21 375, Local Government Code; or

22 (2) a municipality or county under Subchapter A,
23 Chapter 372, Local Government Code.

24 (b) An assessment, a reassessment, or an assessment
25 resulting from an addition to or correction of the assessment roll
26 by the district, penalties and interest on an assessment or
27 reassessment, an expense of collection, and reasonable attorney's

1 fees incurred by the district:

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

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

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

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

19 Sec. 3897.255. IMPACT FEES; EXEMPTION. (a) The district
20 may impose an impact fee on property in the district, including an
21 impact fee on residential or commercial property, only in the
22 manner provided by Subchapter A, Chapter 372, or Subchapter F,
23 Chapter 375, Local Government Code, for a municipality or county.

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

5 Sec. 3897.256. STORM WATER USER CHARGES. The district may
6 establish user charges related to the operation of storm water
7 facilities, including the regulation of storm water for the
8 protection of water quality in the district.

9 Sec. 3897.257. NONPOTABLE WATER USER CHARGES. The district
10 may establish user charges for the use of nonpotable water for
11 irrigation purposes, subject to approval of the governing body of
12 the municipality in which the user is located.

13 Sec. 3897.258. COSTS FOR IMPROVEMENT PROJECTS. The
14 district may undertake separately or jointly with other persons,
15 including a municipality or county in which the district is
16 located, all or part of the cost of an improvement project,
17 including an improvement project:

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

21 (2) that confers a general benefit on the entire
22 district or a special benefit on a definable part of the district.

23 Sec. 3897.259. RESIDENTIAL PROPERTY NOT EXEMPT. Section
24 375.161, Local Government Code, does not apply to the district.

25 [Sections 3897.260-3897.300 reserved for expansion]

26 SUBCHAPTER E. TAXES AND BONDS

27 Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may

1 impose an ad valorem tax on all taxable property in the district,
2 including industrial, commercial, and residential property, to:

3 (1) pay for an improvement project of the types
4 authorized by Section 52, Article III, and Section 59, Article XVI,
5 Texas Constitution; or

6 (2) secure the payment of bonds issued for a purpose
7 described by Subdivision (1).

8 Sec. 3897.302. MAINTENANCE AND OPERATION TAX; ELECTION.

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

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

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

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

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

1 Sec. 3897.303. USE OF SURPLUS MAINTENANCE AND OPERATION
2 MONEY. If the district has maintenance and operation tax money that
3 is not needed for the purposes for which it was collected, the money
4 may be used for any authorized purpose.

5 Sec. 3897.304. TAX ABATEMENT. The district may enter into a
6 tax abatement agreement in accordance with the general laws of this
7 state authorizing and applicable to a tax abatement agreement by a
8 municipality.

9 Sec. 3897.305. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
10 APPROVAL. (a) The district by competitive bid or negotiated sale
11 may issue bonds, notes, or other obligations payable wholly or
12 partly from ad valorem taxes, future bond proceeds, or assessments
13 in the manner provided by Subchapter A, Chapter 372, or Subchapter
14 J, Chapter 375, Local Government Code.

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

21 (c) In addition to the sources of money described by
22 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
23 Government Code, district bonds may be secured and made payable,
24 wholly or partly, by a pledge of any part of the money the district
25 receives from system or improvement revenue or from any other
26 source, including future bond proceeds.

27 Sec. 3897.306. BOND MATURITY. Bonds may mature not more

1 than 40 years from their date of issue.

2 Sec. 3897.307. TAXES FOR BONDS AND OTHER OBLIGATIONS;
3 ELECTION. (a) At the time bonds or other obligations payable
4 wholly or partly from ad valorem taxes are issued:

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

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

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

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

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

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

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

24 (d) If the district issues bond anticipation notes payable
25 from future bond proceeds that are payable wholly or partly from an
26 ad valorem tax, the bonds must have been previously approved at an
27 election and meet the requirements of this section.

1 [Sections 3897.308-3897.350 reserved for expansion]

2 SUBCHAPTER F. DISSOLUTION

3 Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. (a)

4 The largest municipality in which the district is located may
5 dissolve the district by ordinance.

6 (b) The municipality may not dissolve the district until the
7 district's outstanding indebtedness or contractual obligations
8 that are payable from ad valorem taxes have been repaid or
9 discharged.

10 (c) The municipality may not dissolve the district until
11 each agreement under Section 3897.251 has been executed and the
12 district's performance under the agreement has been fulfilled,
13 including any right or obligation the district has to reimburse a
14 developer or owner for the costs of improvement projects.

15 Sec. 3897.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

16 (a) If the dissolved district has bonds or other obligations
17 outstanding secured by and payable from assessments or other
18 revenue, other than ad valorem taxes, the municipality in which the
19 project that generated the revenue is located shall succeed to the
20 rights and obligations of the district regarding enforcement and
21 collection of the assessments or other revenue.

22 (b) The municipality shall have and exercise all district
23 powers to enforce and collect the assessments or other revenue to
24 pay:

25 (1) the bonds or other obligations when due and
26 payable according to their terms; or

27 (2) special revenue or assessment bonds or other

1 obligations issued by the municipality to refund the outstanding
2 bonds or obligations.

3 Sec. 3897.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
4 After the municipality dissolves the district, the municipality
5 assumes the obligations of the district, including any bonds or
6 other indebtedness payable from assessments or other district
7 revenue.

8 (b) If the municipality dissolves the district, the board
9 shall transfer ownership of all district property to the
10 municipality in which the property is located, or if the property is
11 not located in a municipality, to the county in which the property
12 is located.

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

15 All that certain tract or parcel of land lying and being
16 situate in the City of Nacogdoches, Nacogdoches County, Texas on
17 the SAMUEL MARSHALL SURVEY, A-365, being part of a 98.4 acre tract
18 described as 1st Tract of Second Tract, part of a 34.1 acre tract
19 described as Third Tract, part of a 7.111 acre tract described as
20 Fifth Tract, and part of a 13.592 acre tract described as Seventh
21 Tract in a deed from C.S. Jones, et ux, to Lone Star Breeder Farm,
22 Inc., dated January 24, 1958, recorded in Volume 272, Page 359 of
23 the DRNCT, and part of a 240.7 acre tract described as First Tract
24 in a deed from Christian Medical Foundation, Inc., to Lone Star
25 Breeder Farm, Inc., recorded in Volume 334, Page 122 of the DRNCT,
26 and more particularly described as follows:

27 BEGINNING at a 1-1/2" iron pipe found at the base of a fence

1 corner post for the SWC of the Kenbrook North Addition, recorded in
2 Volume 3, Page 5-7 of the Plat Records of Nacogdoches County, Texas
3 (PRNCT), the NWC of the 13.592 acre tract, and in the EBL of the 98.4
4 acre tract;

5 THENCE N 86°12'34" E (called N 86°45' E in 272/359 and N
6 89°36'53" E in 3/5-7 PRNCT) with the NBL of the 13.592 acre tract and
7 the SBL of Kenbrook North Addition, at 286.9 feet pass a point 1.7
8 feet south of a 3/4" iron rod found, at 406.6 feet pass a point 0.3
9 feet north of a 1/2" iron rod found, at 525.6 feet pass a point 1.4
10 feet south of a 3/4" iron rod found, at 766.6 feet pass a point 1.0
11 feet south of a 3/4" iron pipe found, at 886.6 feet pass a point 0.5
12 feet south of a 5/8" iron rod found, and in all 992.29 feet (called
13 1119.4' in 272/359 and 994.65' in 3/5-7 PRNCT) to a 2" iron pipe
14 found for angle corner in the SBL of Kenbrook North Addition, the
15 occupied NEC of the 13.592 acre tract, the NWC of a 11.3 acre tract
16 described as Tract Two in a deed from Texas Service Life Insurance
17 Company to Lyle Thorstenson, et ux, dated November 4, 1992,
18 recorded in Volume 828, Page 30 of the DRNCT;

19 THENCE S 06°42'53" W (called S 10° W in 272/359 and S 11° W in
20 828/30) with the occupied EBL of the 13.592 acre tract and the WBL
21 of the 11.3 acre tract, at 362.61 feet pass a 3/8" iron rod found for
22 the SWC of the 11.3 acre tract and the NWC of a 10.39 acre tract
23 described in a deed from Tom Jones to Charles Logan, et ux, dated
24 July 22, 1966, recorded in Volume 337, Page 372 of the DRNCT, and in
25 all 382.11 feet to a point for corner in the centerline of a branch
26 and the WBL of the 10.39 acre tract;

27 THENCE with the meanders of the centerline of said branch as

1 follows:

- 2 1. S 82°09'36" W, 50.72 feet; 2. S 48°54'39" W, 35.18 feet;
3 3. S 34°22'24" W, 29.53 feet; 4. S 74°58'24" W, 18.52 feet;
4 5. S 49°38'26" W, 43.35 feet; 6. S 00°39'30" W, 39.58 feet;
5 7. S 55°24'09" W, 48.03 feet; 8. S 04°28'22" W, 45.81 feet;
6 9. S 56°30'54" W, 15.88 feet; 10. N 69°22'31" W, 46.25 feet;
7 11. S 55°31'51" W, 61.21 feet; 12. S 70°31'12" W, 100.13 feet;
8 13. S 85°50'02" W, 34.33 feet; 14. N 58°03'58" W, 51.81 feet;
9 15. S 79°38'09" W, 59.16 feet; 16. N 79°34'50" W, 57.07 feet;
10 17. N 62°50'24" W, 44.62 feet; 18. N 70°59'09" W, 29.20 feet;
11 19. N 46°17'24" W, 22.76 feet; 20. S 46°05'11" W, 106.77 feet;
12 21. N 52°48'49" W, 76.41 feet; 22. N 24°49'49" W, 32.59 feet;
13 23. N 68°46'25" W, 89.22 feet; 24. N 55°51'25" W, 44.31 feet;
14 25. N 60°43'07" W, 63.64 feet; 26. N 83°43'02" W, 76.64 feet;
15 27. N 39°08'20" W, 45.76 feet; 28. S 64°00'08" W, 55.43 feet;
16 29. S 78°15'18" W, 51.35 feet; 30. N 65°17'01" W, 40.20 feet;
17 31. N 51°25'37" W, 34.71 feet; 32. S 53°55'17" W, 95.66 feet;
18 33. S 64°46'48" W, 56.59 feet; 34. S 78°49'38" W, 60.02 feet;
19 35. N 84°08'55" W, 71.77 feet; 36. N 40°23'53" W, 27.74 feet;
20 37. N 60°00'50" W, 58.49 feet; 38. S 89°23'46" W, 38.39 feet;
21 39. S 51°47'35" W, 33.00 feet; 40. S 83°31'21" W, 29.43 feet;
22 41. S 41°10'09" W, 14.48 feet; 42. S 83°39'36" W, 22.67 feet;
23 43. N 20°02'08" W, 16.80 feet; 44. N 08°24'01" W, 14.46 feet;
24 45. N 65°25'57" W, 53.59 feet; 46. N 38°34'52" W, 33.98 feet;
25 47. N 76°14'16" W, 54.42 feet; 48. N 81°16'42" W, 44.12 feet;
26 49. N 60°00'12" W, 99.63 feet; 50. N 72°59'23" W, 68.62 feet;
27 51. N 68°45'56" W, 80.15 feet; 52. N 43°13'00" E, 40.35 feet;

1 53. N 78°25'21" W, 49.93 feet; 54. N 59°59'25" W, 60.28 feet;
2 55. N 49°49'20" W, 69.27 feet; 56. N 69°07'16" W, 53.13 feet
3 to a point for corner in the EBL of Lot 2, University Park
4 Subdivision, recorded in Volume 5, Page 33 of the PRNCT, from which
5 a 1/2" iron rod found for witness bears N 01°12'28" E, 30.00 feet;
6 THENCE N 01°12'28" E, 140.44 feet (called N 04°39'37" E in 5/33
7 PRNCT) with the EBL of Lot 2 to a 1" iron pipe found for corner, from
8 which a Tallow snag bears S 54° W, 2.0 feet;
9 THENCE N 88°44'28" W (called N 85°23'52" W in 5/33 PRNCT),
10 75.00 feet with the NBL of Lot 2 to a 1/2" iron rod found for corner;
11 THENCE N 01°10'22" E, 345.85 feet to a 1/2" iron rod set for
12 corner in the SBL of a 4.145 acre tract described in a deed from Lone
13 Star Breeder Farm, Inc., to the City of Nacogdoches, dated July 16,
14 2007, recorded in Volume 2693, Page 177 of the DRNCT, said 4.145
15 acre tract being the right-of-way for Maroney Drive;
16 THENCE with the SBL of the 4.145 acre tract as follows:
17 1. S 88°49'38" E, 189.84 feet to a 1/2" iron rod set for
18 corner;
19 2. Northeasterly, 399.38 feet with a tangent curve to the
20 left having a radius of 527.35 feet, a central angle of 43°23'31",
21 and a chord of N 69°28'36" E, 389.90 feet to a 1/2" iron rod set for
22 corner;
23 3. N 86°47'25" E, 25.99 feet to a 1/2" iron rod set for
24 corner;
25 4. N 41°47'25" E, 73.31 feet to a 1/2" iron rod set for
26 corner;
27 5. N 03°12'35" W, 21.92 feet to a 1/2" iron rod set for

1 corner;

2 6. N 41°47'25" E, 151.81 feet to a 1/2" iron rod found for
3 corner;

4 7. Northeasterly, 388.82 feet with a tangent curve to the
5 right, having a radius of 472.65 feet, a central angle of 47°08'02",
6 and a chord of N 65°21'26" E, 377.95 feet to a 1/2" iron rod found
7 for corner;

8 8. N 88°55'28" E, 37.19 feet to a 1/2" iron rod set for
9 corner;

10 9. S 46°04'33" E, 21.92 feet to a 1/2" iron rod set for
11 corner;

12 10. N 88°55'28" E, 73.31 feet to a 1/2" iron rod set for
13 corner;

14 11. N 43°55'27" E, 21.92 feet to a 1/2" iron rod set for
15 corner;

16 12. N 88°55'28" E, at 296.5 feet pass a wire fence, and in all
17 304.32 feet to an "X" found chiseled in a concrete drive at the most
18 easterly SEC of the 4.145 acre tract, in the WBL of Kenbrook North
19 Addition and the EBL of the 240.7 acre tract;

20 THENCE S 07°05'37" W (called S 10° W), at 141.3 feet pass a
21 point 1.1 feet east of a 3/8" iron rod, at 240.2 feet pass a point
22 0.6 feet east of a 1/2" iron rod, at 360.2 feet pass a point 0.7 feet
23 east of a 1/2" pipe, and in all 876.83 feet to the place of BEGINNING
24 containing within these calls 44.34 acres.

25 SECTION 3. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

C.S.H.B. No. 863

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2011.