

By: Christian

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) "City" means the City of Nacogdoches, Texas.

(3) "County" means Nacogdoches County, Texas.

(4) "Director" means a board member.

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

(6) "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,

1 Texas Constitution, and other public purposes stated in this
2 chapter. By creating the district and in authorizing the city and
3 other political subdivisions to contract with the district, the
4 legislature has established a program to accomplish the public
5 purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

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

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

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

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

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

5 (d) The district will:

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

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

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

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

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

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

1 Section 3897.111 or other law.

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

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

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

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

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

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

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

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

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

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

22 (b) If the city creates a tax increment reinvestment zone
23 described by Subsection (a), the city and the board of directors of
24 the zone, by contract with the district, may grant money deposited
25 in the tax increment fund to the district to be used by the district
26 for the purposes permitted for money granted to a corporation under
27 Section 380.002(b), Local Government Code, including the right to

1 pledge the money as security for any bonds issued by the district
2 for an improvement project.

3 Sec. 3897.007. ACTIVITIES NOT SUBJECT TO JURISDICTION OR
4 SUPERVISION OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. The
5 district's activities are not subject to the jurisdiction or
6 supervision of the Texas Commission on Environmental Quality under
7 Chapter 49, Water Code, Chapter 375, Local Government Code, or any
8 other law.

9 [Sections 3897.008-3897.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

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

15 Sec. 3897.052. ELECTION DATE. The board shall hold an
16 election for directors on the uniform election date in May in
17 even-numbered years.

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

- 20 (1) an owner of real property in the district; or
21 (2) an employee of a person described by Subdivision
22 (1).

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

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

1 (b) If there are fewer than three directors, the governing
2 body of the city shall appoint the necessary number of directors to
3 fill all board vacancies.

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

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

10 Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
11 EXPENSES. (a) The district may compensate each director in an
12 amount not to exceed \$50 for each board meeting. The total amount
13 of compensation a director may receive each year may not exceed
14 \$2,000.

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

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

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	_____
<u>2</u>	_____
<u>3</u>	_____
<u>4</u>	_____
<u>5</u>	_____

26 (b) Of the initial directors, the terms of directors
27 appointed for positions 1 and 2 expire May 31, 2012, and the terms

1 of directors appointed for positions 3 through 5 expire May 31,
2 2014.

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

4 [Sections 3897.059-3897.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

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

27 Sec. 3897.105. MUNICIPAL MANAGEMENT DISTRICT POWERS; CITY

1 POWERS. (a) The district has the powers provided by Chapter 375,
2 Local Government Code.

3 (b) The city has the powers granted to the Texas Commission
4 on Environmental Quality under Chapter 375, Local Government Code.

5 Sec. 3897.106. RULES; ENFORCEMENT. (a) The district may
6 adopt rules:

7 (1) to administer or operate the district;

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

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

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

14 Sec. 3897.107. CONFLICT WITH CITY RULE, ORDER, OR
15 ORDINANCE. To the extent a district rule conflicts with a city
16 rule, order, or ordinance, the city rule, order, or ordinance
17 controls.

18 Sec. 3897.108. NAME CHANGE. The board by resolution may
19 change the district's name. The board shall give written notice of
20 the change to the city.

21 Sec. 3897.109. TERMS OF EMPLOYMENT; COMPENSATION. The
22 board may employ and establish the terms of employment and
23 compensation of an executive director or general manager and any
24 other district employees the board considers necessary.

25 Sec. 3897.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR
26 FACILITY OF DISTRICT. (a) The board by rule may regulate the
27 private use of a public roadway, open space, park, sidewalk, or

1 similar public area or facility in the district. A rule may provide
2 for the safe and orderly use of public roadways, open spaces, parks,
3 sidewalks, and similar public areas or facilities.

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

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

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

20 (1) the addition or removal of the territory must be
21 approved by:

22 (A) the governing body of the city; and

23 (B) the owners of the territory being added or
24 removed;

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

27 (3) territory may not be removed from the district if

1 bonds or other obligations of the district payable wholly or partly
2 from ad valorem taxes or assessments levied or assessed on the
3 territory are outstanding.

4 Sec. 3897.112. ECONOMIC DEVELOPMENT. (a) The district may
5 create an economic development program authorized by Section 52-a,
6 Article III, Texas Constitution.

7 (b) The district may exercise the economic development
8 powers that:

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

11 (2) Chapter 1509, Government Code, provides to a
12 municipality.

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

15 [Sections 3897.114-3897.150 reserved for expansion]

16 SUBCHAPTER C-1. IMPROVEMENT PROJECTS

17 Sec. 3897.151. BOARD DETERMINATION REQUIRED. The district
18 may not undertake an improvement project unless the board
19 determines the project to be necessary to accomplish a public
20 purpose of the district.

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

23 Sec. 3897.153. CITY REQUIREMENTS. (a) An improvement
24 project must comply with any applicable city requirements,
25 including codes and ordinances.

26 (b) The district may not provide, conduct, or authorize any
27 improvement project on the city streets, highways, rights-of-way,

1 or easements without the consent of the governing body of the city.

2 Sec. 3897.154. ADDITIONAL CITY POWERS REGARDING
3 IMPROVEMENT PROJECTS. (a) Unless the district and the city agree
4 otherwise, the city may:

5 (1) by ordinance, order, or resolution require that
6 title to all or any portion of an improvement project vest in the
7 city; or

8 (2) by ordinance, order, or resolution or other
9 directive authorize the district to own, encumber, maintain, and
10 operate an improvement project or convey the project to the city at
11 a later date.

12 (b) The district shall immediately comply with any city
13 ordinance, order, or resolution adopted under this section.

14 Sec. 3897.155. LAKE. For the purposes of this subchapter,
15 planning, design, construction, improvement, or maintenance of a
16 lake includes work done for drainage, reclamation, or recreation.

17 Sec. 3897.156. WATER. (a) An improvement project may
18 include a supply and distribution facility or system to provide
19 potable and nonpotable water to the residents and businesses of the
20 district, including a wastewater collection facility.

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

23 Sec. 3897.157. ROADS. An improvement project may include a
24 paved, macadamized, or graveled road or street inside and outside
25 the district, to the full extent authorized by Section 52, Article
26 III, Texas Constitution.

27 Sec. 3897.158. STORM WATER. An improvement project may

1 include protection and improvement of the quality of storm water
2 that flows through the district.

3 Sec. 3897.159. PARKING OR HELIPORT. An improvement project
4 may include the planning, design, construction, improvement,
5 maintenance, and operation of an off-street parking facility or
6 heliport.

7 Sec. 3897.160. EDUCATION AND CULTURE. An improvement
8 project may include the planning and acquisition of:

9 (1) public art and sculpture and related exhibits and
10 facilities; or

11 (2) an educational facility and a cultural exhibit or
12 facility.

13 Sec. 3897.161. CONVENTION CENTER. An improvement project
14 may include the planning, design, construction, acquisition,
15 lease, rental, improvement, maintenance, installation, and
16 management of and provision of furnishings for a facility for:

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

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

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

20 (4) an exhibit, display, attraction, special event, or
21 seasonal or cultural celebration or holiday.

22 Sec. 3897.162. DEMOLITION. An improvement project may
23 include the removal, razing, demolition, or clearing of land or
24 improvements in connection with an improvement project.

25 Sec. 3897.163. MITIGATION OF ENVIRONMENTAL EFFECTS. An
26 improvement project may include the acquisition and improvement of
27 land or other property for the mitigation of the environmental

1 effects of an improvement project.

2 Sec. 3897.164. ACQUISITION OF PROPERTY. An improvement
3 project may include the acquisition of property or an interest in
4 property in connection with an improvement project, including a
5 project authorized by Subchapter A, Chapter 372, Local Government
6 Code.

7 Sec. 3897.165. SPECIAL OR SUPPLEMENTAL SERVICES. An
8 improvement project may include a special or supplemental service
9 for the improvement and promotion of the district or an area
10 adjacent to the district or for the protection of public health and
11 safety in or adjacent to the district, including:

- 12 (1) advertising;
- 13 (2) promotion;
- 14 (3) tourism;
- 15 (4) health and sanitation;
- 16 (5) public safety;
- 17 (6) security;
- 18 (7) fire protection or emergency medical services;
- 19 (8) business recruitment;
- 20 (9) development;
- 21 (10) the elimination of traffic congestion; and
- 22 (11) recreational, educational, or cultural
23 improvements, enhancements, and services.

24 Sec. 3897.166. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
25 MAINTENANCE. An improvement project may include the planning,
26 design, construction, improvement, and maintenance of:

- 27 (1) landscaping;

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

3 (3) lighting, banners, and signs;

4 (4) a street or sidewalk;

5 (5) a hiking and cycling path or trail;

6 (6) a pedestrian walkway, skywalk, crosswalk, or
7 tunnel;

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

11 (8) a fountain, plaza, or pedestrian mall; or

12 (9) a drainage or storm water detention improvement.

13 Sec. 3897.167. SIMILAR IMPROVEMENT PROJECTS. An
14 improvement project may include a public improvement, facility, or
15 service similar to a project described by this subchapter.

16 [Sections 3897.168-3897.200 reserved for expansion]

17 SUBCHAPTER C-2. CONTRACTS

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

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

22 (b) A contract the district enters into to carry out a
23 purpose of this chapter may be on any terms and for any period the
24 board determines, including an obligation to issue a negotiable or
25 nonnegotiable note or warrant payable to the city, the county, or
26 any other person for the payment or reimbursement of any district
27 costs.

1 Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may
2 contract with any person for the payment, repayment, or
3 reimbursement of costs incurred by that person on behalf of the
4 district, including all or part of the costs of an improvement
5 project and interest on the reimbursed cost.

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

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

18 Sec. 3897.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED.
19 Except as provided by Section 3897.206, any person, including the
20 city and the county, may contract with the district to carry out the
21 purposes of this chapter without further statutory or other
22 authorization.

23 Sec. 3897.206. CITY APPROVAL OF CONTRACT WITH COUNTY. The
24 district and the county may not enter into a contract unless the
25 governing body of the city approves the contract.

26 [Sections 3897.207-3897.250 reserved for expansion]

27 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

1 Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
2 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
3 may issue bonds, impose taxes, or borrow money, the district and the
4 city must negotiate and execute a project development agreement
5 regarding the development plans and rules for:

6 (1) the development and operation of the district; and

7 (2) the financing of improvement projects.

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

10 (b) The district may borrow money for a district purpose by
11 issuing or executing bonds, negotiable or nonnegotiable notes,
12 credit agreements, or other obligations of any kind found by the
13 board to be necessary or appropriate for a district purpose. The
14 bond, note, credit agreement, or other obligation must be secured
15 by and payable from any combination of ad valorem taxes,
16 assessments, future bond proceeds, or any other district revenue or
17 sources of money.

18 Sec. 3897.253. GENERAL POWERS REGARDING PAYMENT OF DISTRICT
19 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
20 secure the payment or repayment of any bond, note, or other
21 temporary or permanent obligation or reimbursement or other
22 contract with any person and the costs and expenses of the
23 establishment, administration, and operation of the district and
24 the district's costs or share of the costs or revenue of an
25 improvement project or district contractual obligation or
26 indebtedness by:

27 (1) the imposition of an ad valorem tax or an

1 assessment, user fee, concession fee, or rental charge; or
2 (2) any other revenue or resources of the district,
3 including bond proceeds, or other revenue authorized by the city,
4 including revenue from a tax increment reinvestment zone created by
5 the city.

6 Sec. 3897.254. ASSESSMENTS. (a) The district may impose an
7 assessment on property in the district to pay the cost or the cost
8 of maintenance of any authorized district improvement in the manner
9 provided for:

10 (1) a district under Subchapters A, E, and F, Chapter
11 375, Local Government Code; or

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

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

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

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

24 (c) The lien of an assessment against property runs with the
25 land. The portion of an assessment payment obligation that has not
26 yet come due is not eliminated by the foreclosure of an ad valorem
27 tax lien, and any purchaser of property in a foreclosure of an ad

1 valorem tax lien takes the property subject to the assessment
2 payment obligations that have not yet come due and to the lien and
3 terms of the lien's payment under the applicable assessment
4 ordinance or order.

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

9 Sec. 3897.255. IMPACT FEES; EXEMPTION. (a) The district
10 may impose an impact fee on property in the district, including an
11 impact fee on residential or commercial property, only in the
12 manner provided by Subchapter A, Chapter 372, or Subchapter F,
13 Chapter 375, Local Government Code, for a municipality, county, or
14 public improvement district.

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

- 17 (1) public water and wastewater facilities;
18 (2) drainage and storm water facilities; and
19 (3) streets and alleys.

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

23 Sec. 3897.256. STORM WATER USER CHARGES. The district may
24 establish user charges related to the operation of storm water
25 facilities, including the regulation of storm water for the
26 protection of water quality in the district.

27 Sec. 3897.257. NONPOTABLE WATER USER CHARGES. The district

1 may establish user charges for the use of nonpotable water for
2 irrigation purposes, subject to approval of the governing body of
3 the city.

4 Sec. 3897.258. COSTS FOR IMPROVEMENT PROJECTS. The
5 district may undertake separately or jointly with other persons,
6 including the city or county, all or part of the cost of an
7 improvement project, including an improvement project:

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

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

13 Sec. 3897.259. RESIDENTIAL PROPERTY NOT EXEMPT. Section
14 375.161, Local Government Code, does not apply to the district.

15 [Sections 3897.260-3897.300 reserved for expansion]

16 SUBCHAPTER E. TAXES AND BONDS

17 Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may
18 impose an ad valorem tax on all taxable property in the district,
19 including industrial, commercial, and residential property, to:

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

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

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

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

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

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

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

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

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

22 Sec. 3897.304. TAX ABATEMENT. The district may enter into a
23 tax abatement agreement in accordance with the general laws of this
24 state authorizing and applicable to a tax abatement agreement by a
25 municipality.

26 Sec. 3897.305. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
27 APPROVAL. (a) The district by competitive bid or negotiated sale

1 may issue bonds, notes, or other obligations payable wholly or
2 partly from ad valorem taxes, future bond proceeds, or assessments
3 in the manner provided by Subchapter A, Chapter 372, or Subchapter
4 J, Chapter 375, Local Government Code.

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

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

17 Sec. 3897.306. BOND MATURITY. Bonds may mature not more
18 than 40 years from their date of issue.

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

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

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

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

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

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

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

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

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

18 Sec. 3897.308. BONDS NOT SUBJECT TO JURISDICTION OR
19 SUPERVISION OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. The
20 district's bonds and other securities are not subject to the
21 jurisdiction or supervision of the Texas Commission on
22 Environmental Quality under Chapter 49, Water Code, Chapter 375,
23 Local Government Code, or any other law.

24 [Sections 3897.309-3897.350 reserved for expansion]

25 SUBCHAPTER F. DISSOLUTION

26 Sec. 3897.351. DISSOLUTION BY CITY ORDINANCE. (a) The city
27 by ordinance may dissolve the district.

1 (b) The city may not dissolve the district until the
2 district's outstanding indebtedness or contractual obligations
3 that are payable from ad valorem taxes have been repaid or
4 discharged.

5 (c) The city may not dissolve the district until each
6 agreement under Section 3897.251 has been executed and the
7 district's performance under the agreement has been fulfilled,
8 including any right or obligation the district has to reimburse a
9 developer or owner for the costs of improvement projects.

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

11 (a) If the dissolved district has bonds or other obligations
12 outstanding secured by and payable from assessments or other
13 revenue, other than ad valorem taxes, the city shall succeed to the
14 rights and obligations of the district regarding enforcement and
15 collection of the assessments or other revenue.

16 (b) The city shall have and exercise all district powers to
17 enforce and collect the assessments or other revenue to pay:

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

20 (2) special revenue or assessment bonds or other
21 obligations issued by the city to refund the outstanding bonds or
22 obligations.

23 Sec. 3897.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
24 After the city dissolves the district, the city assumes the
25 obligations of the district, including any bonds or other
26 indebtedness payable from assessments or other district revenue.

27 (b) If the city dissolves the district, the board shall

1 transfer ownership of all district property to the city.

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

4 All that certain tract or parcel of land lying and being
5 situate in the City of Nacogdoches, Nacogdoches County, Texas on
6 the SAMUEL MARSHALL SURVEY, A-365, being part of a 98.4 acre tract
7 described as 1st Tract of Second Tract, part of a 34.1 acre tract
8 described as Third Tract, part of a 7.111 acre tract described as
9 Fifth Tract, and part of a 13.592 acre tract described as Seventh
10 Tract in a deed from C.S. Jones, et ux, to Lone Star Breeder Farm,
11 Inc., dated January 24, 1958, recorded in Volume 272, Page 359 of
12 the DRNCT, and part of a 240.7 acre tract described as First Tract
13 in a deed from Christian Medical Foundation, Inc., to Lone Star
14 Breeder Farm, Inc., recorded in Volume 334, Page 122 of the DRNCT,
15 and more particularly described as follows:

16 BEGINNING at a 1-1/2" iron pipe found at the base of a fence
17 corner post for the SWC of the Kenbrook North Addition, recorded in
18 Volume 3, Page 5-7 of the Plat Records of Nacogdoches County, Texas
19 (PRNCT), the NWC of the 13.592 acre tract, and in the EBL of the 98.4
20 acre tract;

21 THENCE N 86°12'34" E (called N 86°45' E in 272/359 and N
22 89°36'53" E in 3/5-7 PRNCT) with the NBL of the 13.592 acre tract and
23 the SBL of Kenbrook North Addition, at 286.9 feet pass a point 1.7
24 feet south of a 3/4" iron rod found, at 406.6 feet pass a point 0.3
25 feet north of a 1/2" iron rod found, at 525.6 feet pass a point 1.4
26 feet south of a 3/4" iron rod found, at 766.6 feet pass a point 1.0
27 feet south of a 3/4" iron pipe found, at 886.6 feet pass a point 0.5

1 feet south of a 5/8" iron rod found, and in all 992.29 feet (called
2 1119.4' in 272/359 and 994.65' in 3/5-7 PRNCT) to a 2" iron pipe
3 found for angle corner in the SBL of Kenbrook North Addition, the
4 occupied NEC of the 13.592 acre tract, the NWC of a 11.3 acre tract
5 described as Tract Two in a deed from Texas Service Life Insurance
6 Company to Lyle Thorstenson, et ux, dated November 4, 1992,
7 recorded in Volume 828, Page 30 of the DRNCT;

8 THENCE S 06°42'53" W (called S 10° W in 272/359 and S 11° W in
9 828/30) with the occupied EBL of the 13.592 acre tract and the WBL
10 of the 11.3 acre tract, at 362.61 feet pass a 3/8" iron rod found for
11 the SWC of the 11.3 acre tract and the NWC of a 10.39 acre tract
12 described in a deed from Tom Jones to Charles Logan, et ux, dated
13 July 22, 1966, recorded in Volume 337, Page 372 of the DRNCT, and in
14 all 382.11 feet to a point for corner in the centerline of a branch
15 and the WBL of the 10.39 acre tract;

16 THENCE with the meanders of the centerline of said branch as
17 follows:

- 18 1. S 82°09'36" W, 50.72 feet; 2. S 48°54'39" W, 35.18 feet;
- 19 3. S 34°22'24" W, 29.53 feet; 4. S 74°58'24" W, 18.52 feet;
- 20 5. S 49°38'26" W, 43.35 feet; 6. S 00°39'30" W, 39.58 feet;
- 21 7. S 55°24'09" W, 48.03 feet; 8. S 04°28'22" W, 45.81 feet;
- 22 9. S 56°30'54" W, 15.88 feet; 10. N 69°22'31" W, 46.25 feet;
- 23 11. S 55°31'51" W, 61.21 feet; 12. S 70°31'12" W, 100.13 feet;
- 24 13. S 85°50'02" W, 34.33 feet; 14. N 58°03'58" W, 51.81 feet;
- 25 15. S 79°38'09" W, 59.16 feet; 16. N 79°34'50" W, 57.07 feet;
- 26 17. N 62°50'24" W, 44.62 feet; 18. N 70°59'09" W, 29.20 feet;
- 27 19. N 46°17'24" W, 22.76 feet; 20. S 46°05'11" W, 106.77 feet;

1 21. N 52°48'49" W, 76.41 feet; 22. N 24°49'49" W, 32.59 feet;
 2 23. N 68°46'25" W, 89.22 feet; 24. N 55°51'25" W, 44.31 feet;
 3 25. N 60°43'07" W, 63.64 feet; 26. N 83°43'02" W, 76.64 feet;
 4 27. N 39°08'20" W, 45.76 feet; 28. S 64°00'08" W, 55.43 feet;
 5 29. S 78°15'18" W, 51.35 feet; 30. N 65°17'01" W, 40.20 feet;
 6 31. N 51°25'37" W, 34.71 feet; 32. S 53°55'17" W, 95.66 feet;
 7 33. S 64°46'48" W, 56.59 feet; 34. S 78°49'38" W, 60.02 feet;
 8 35. N 84°08'55" W, 71.77 feet; 36. N 40°23'53" W, 27.74 feet;
 9 37. N 60°00'50" W, 58.49 feet; 38. S 89°23'46" W, 38.39 feet;
 10 39. S 51°47'35" W, 33.00 feet; 40. S 83°31'21" W, 29.43 feet;
 11 41. S 41°10'09" W, 14.48 feet; 42. S 83°39'36" W, 22.67 feet;
 12 43. N 20°02'08" W, 16.80 feet; 44. N 08°24'01" W, 14.46 feet;
 13 45. N 65°25'57" W, 53.59 feet; 46. N 38°34'52" W, 33.98 feet;
 14 47. N 76°14'16" W, 54.42 feet; 48. N 81°16'42" W, 44.12 feet;
 15 49. N 60°00'12" W, 99.63 feet; 50. N 72°59'23" W, 68.62 feet;
 16 51. N 68°45'56" W, 80.15 feet; 52. N 43°13'00" E, 40.35 feet;
 17 53. N 78°25'21" W, 49.93 feet; 54. N 59°59'25" W, 60.28 feet;
 18 55. N 49°49'20" W, 69.27 feet; 56. N 69°07'16" W, 53.13 feet

19 to a point for corner in the EBL of Lot 2, University Park
 20 Subdivision, recorded in Volume 5, Page 33 of the PRNCT, from which
 21 a 1/2" iron rod found for witness bears N 01°12'28" E, 30.00 feet;

22 THENCE N 01°12'28" E, 140.44 feet (called N 04°39'37" E in 5/33
 23 PRNCT) with the EBL of Lot 2 to a 1" iron pipe found for corner, from
 24 which a Tallow snag bears S 54° W, 2.0 feet;

25 THENCE N 88°44'28" W (called N 85°23'52" W in 5/33 PRNCT),
 26 75.00 feet with the NBL of Lot 2 to a 1/2" iron rod found for corner;

27 THENCE N 01°10'22" E, 345.85 feet to a 1/2" iron rod set for

1 corner in the SBL of a 4.145 acre tract described in a deed from Lone
2 Star Breeder Farm, Inc., to the City of Nacogdoches, dated July 16,
3 2007, recorded in Volume 2693, Page 177 of the DRNCT, said 4.145
4 acre tract being the right-of-way for Maroney Drive;

5 THENCE with the SBL of the 4.145 acre tract as follows:

6 1. S 88°49'38" E, 189.84 feet to a 1/2" iron rod set for
7 corner;

8 2. Northeasterly, 399.38 feet with a tangent curve to the
9 left having a radius of 527.35 feet, a central angle of 43°23'31",
10 and a chord of N 69°28'36" E, 389.90 feet to a 1/2" iron rod set for
11 corner;

12 3. N 86°47'25" E, 25.99 feet to a 1/2" iron rod set for
13 corner;

14 4. N 41°47'25" E, 73.31 feet to a 1/2" iron rod set for
15 corner;

16 5. N 03°12'35" W, 21.92 feet to a 1/2" iron rod set for
17 corner;

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

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

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

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

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

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

5 12. N 88°55'28" E, at 296.5 feet pass a wire fence, and in all
6 304.32 feet to an "X" found chiseled in a concrete drive at the most
7 easterly SEC of the 4.145 acre tract, in the WBL of Kenbrook North
8 Addition and the EBL of the 240.7 acre tract;

9 THENCE S 07°05'37" W (called S 10° W), at 141.3 feet pass a
10 point 1.1 feet east of a 3/8" iron rod, at 240.2 feet pass a point
11 0.6 feet east of a 1/2" iron rod, at 360.2 feet pass a point 0.7 feet
12 east of a 1/2" pipe, and in all 876.83 feet to the place of BEGINNING
13 containing within these calls 44.34 acres.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2011.