

By: Paxton

H.B. No. 3854

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Prosper Municipal Management District No. 2; 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 3910 to read as follows:

CHAPTER 3910. PROSPER MUNICIPAL MANAGEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3910.001. DEFINITIONS. In this chapter:

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

(2) "County" means Collin County, Texas.

(3) "Development agreement" means an interlocal project development agreement between the district and the town regarding the district's development plans and rules for the development and operation of the district and the financing of improvement projects.

(4) "Director" means a board member.

(5) "District" means the Prosper Municipal Management District No. 2.

(6) "Town" means the Town of Prosper, Texas.

Sec. 3910.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

1 Sec. 3910.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
2 creation of the district is essential to accomplish the purposes of
3 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
4 Texas Constitution, and other public purposes stated in this
5 chapter. By creating the district and in authorizing the town and
6 other political subdivisions to contract with the district, the
7 legislature has established a program to accomplish the public
8 purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

20 Sec. 3910.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
21 The district is created to serve a public use and benefit.

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

27 (c) The district is created to accomplish the purposes of a

1 municipal management district as provided by general law and
2 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
3 Texas Constitution.

4 (d) The creation of the district is in the public interest
5 and is essential to:

6 (1) further the public purposes of developing and
7 diversifying the economy of the state;

8 (2) eliminate unemployment and underemployment; and

9 (3) develop or expand transportation and commerce.

10 (e) The district will:

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

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

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

21 (f) Pedestrian ways along or across a street, whether at
22 grade or above or below the surface, and street lighting, street
23 landscaping, parking, and street art objects are parts of and
24 necessary components of a street and are considered to be a street
25 or road improvement.

26 (g) The district will not act as the agent or
27 instrumentality of any private interest even though the district

1 will benefit many private interests as well as the public.

2 Sec. 3910.005. DISTRICT TERRITORY. (a) The district is
3 composed of the territory described by Section 2 of the Act enacting
4 this chapter, as that territory may have been modified under
5 Section 3910.111 or other law.

6 (b) The boundaries and field notes contained in Section 2 of
7 the Act enacting this chapter form a closure. A mistake in the
8 field notes or in copying the field notes in the legislative process
9 does not affect the district's:

10 (1) organization, existence, or validity;

11 (2) right to contract;

12 (3) authority to borrow money or issue bonds or other
13 obligations described by Section 3910.251 or to pay the principal
14 and interest of the bonds or other obligations;

15 (4) right to impose and collect taxes, assessments, or
16 other revenue; or

17 (5) legality or operation.

18 Sec. 3910.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

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

23 (2) a tax abatement reinvestment zone created by the
24 town under Chapter 312, Tax Code;

25 (3) an enterprise zone created by the town under
26 Chapter 2303, Government Code; or

27 (4) an industrial district created by the town under

1 Chapter 42, Local Government Code.

2 (b) If the town creates a tax increment reinvestment zone
3 described by Subsection (a), the town and the board of directors of
4 the zone, by contract with the district, may grant money deposited
5 in the tax increment fund to the district to be used by the district
6 for:

7 (1) the purposes permitted for money granted to a
8 corporation under Section 380.002(b), Local Government Code; and

9 (2) any other district purpose, including the right to
10 pledge the money as security for any bonds issued by the district
11 under Section 3901.251.

12 (c) A tax increment reinvestment zone created by the town in
13 the district is not subject to the limitations provided by Section
14 311.006, Tax Code.

15 Sec. 3910.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
16 DISTRICTS LAW. Except as otherwise provided by this chapter,
17 Chapter 375, Local Government Code, applies to the district.

18 Sec. 3910.008. LIBERAL CONSTRUCTION OF CHAPTER. This
19 chapter shall be liberally construed in conformity with the
20 findings and purposes stated in this chapter.

21 [Sections 3910.009-3910.050 reserved for expansion]

22 SUBCHAPTER B. BOARD OF DIRECTORS

23 Sec. 3910.051. GOVERNING BODY; TERMS. The district is
24 governed by a board of five directors who serve staggered four-year
25 terms, with the terms of two or three directors expiring on June 1
26 of each odd-numbered year.

27 Sec. 3910.052. APPOINTMENTS. (a) The governing body of the

1 town, by a majority vote, shall appoint one director.

2 (b) The other four directors are appointed as provided by
3 Section 375.064, Local Government Code.

4 (c) If Subsection (a) or (b) is found to be invalid, the
5 Texas Commission on Environmental Quality shall appoint the board
6 from recommendations submitted by the preceding board.

7 Sec. 3910.053. QUALIFICATIONS. (a) Except for a director
8 appointed under Section 3910.052(a), to be qualified to serve as a
9 director a person must meet the qualifications of Section 375.063,
10 Local Government Code.

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

13 Sec. 3910.054. VACANCY. (a) The remaining directors shall
14 fill a vacancy on the board for the unexpired term by appointing a
15 person who is qualified under Section 3910.053.

16 (b) If there are fewer than three directors, the governing
17 body of the town shall appoint the necessary number of directors to
18 fill all board vacancies.

19 Sec. 3910.055. DIRECTOR'S OATH OR AFFIRMATION. A director
20 shall file the oath or affirmation of office with the district, and
21 the district shall retain the oath or affirmation in the district
22 records.

23 Sec. 3910.056. OFFICERS. The board shall elect from among
24 the directors a chair, a vice chair, and a secretary.

25 Sec. 3910.057. COMPENSATION; EXPENSES. A director serves
26 without compensation but is entitled to reimbursement for necessary
27 expenses incurred in carrying out the duties and responsibilities

1 of a director.

2 Sec. 3910.058. INITIAL DIRECTORS. (a) The governing body
3 of the town shall appoint one initial director not later than the
4 90th day after the effective date of the Act creating the district.

5 (b) On or after the effective date of the Act creating the
6 district, the owners of all real property in the district and the
7 lienholders of record, as shown in the deed records of the county,
8 that have a deed-of-trust lien on any property in the district may
9 submit a petition to the governing body of the town requesting that
10 the governing body appoint as additional initial directors the four
11 persons named in the petition.

12 (c) The four initial directors named in the petition shall
13 agree on, or draw lots to determine, which two directors serve a
14 term that expires June 1, 2013, and which two directors serve a term
15 that expires June 1, 2015. The director appointed by the town under
16 Subsection (a) serves a term that expires June 1, 2015.

17 (d) The district is dissolved and this chapter expires if a
18 petition described by Subsection (b) is not submitted to the
19 governing body of the town not later than the 180th day after the
20 effective date of the Act creating the district.

21 (e) Section 3910.053 does not apply to this section.

22 (f) This section expires September 1, 2015.

23 [Sections 3910.059-3910.100 reserved for expansion]

24 SUBCHAPTER C. POWERS AND DUTIES

25 Sec. 3910.101. GENERAL POWERS AND DUTIES. The district has
26 the powers and duties necessary to accomplish the purposes for
27 which the district is created.

1 Sec. 3910.102. IMPROVEMENT PROJECTS. The district may
2 provide, or it may enter into contracts with a governmental or
3 private entity to provide, the improvement projects described by
4 Subchapter C-1 or activities in support of or incidental to those
5 projects.

6 Sec. 3910.103. WATER DISTRICT POWERS. The district has the
7 powers provided by the general laws relating to conservation and
8 reclamation districts created under Section 59, Article XVI, Texas
9 Constitution, including Chapters 49 and 54, Water Code.

10 Sec. 3910.104. ROAD DISTRICT POWERS. The district has the
11 powers provided by the general laws relating to road districts and
12 road utility districts created under Section 52(b), Article III,
13 Texas Constitution, including Chapter 441, Transportation Code.

14 Sec. 3910.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The
15 district has the powers provided by Chapter 372, Local Government
16 Code, to a municipality or county.

17 Sec. 3910.106. CONTRACT POWERS. The district may contract
18 with a governmental or private entity, on terms determined by the
19 board, to carry out a power or duty authorized by this chapter or to
20 accomplish a purpose for which the district is created.

21 Sec. 3910.107. AGREEMENTS; GRANTS. (a) As provided by
22 Chapter 375, Local Government Code, the district may make an
23 agreement with or accept a gift, grant, or loan from any person.

24 (b) The implementation of a project is a governmental
25 function or service for the purposes of Chapter 791, Government
26 Code.

27 Sec. 3910.108. 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 (c) To the extent a district rule conflicts with a town
10 rule, order, or regulation, the town rule, order, or regulation
11 controls.

12 Sec. 3910.109. NOTICE OF NAME CHANGE. The board shall give
13 written notice of any name change to the town.

14 Sec. 3910.110. PARKING FACILITIES. (a) The district may
15 acquire, lease as lessor or lessee, construct, develop, own,
16 operate, and maintain parking facilities or a system of parking
17 facilities, including lots, garages, parking terminals, or other
18 structures or accommodations for parking motor vehicles off the
19 streets and related appurtenances.

20 (b) The district's parking facilities serve the public
21 purposes of the district and are owned, used, and held for a public
22 purpose even if leased or operated by a private entity for a term of
23 years.

24 (c) The district's parking facilities are parts of and
25 necessary components of a street and are considered to be a street
26 or road improvement.

27 (d) The development and operation of the district's parking

1 facilities may be considered an economic development program.

2 Sec. 3910.111. ADDING TERRITORY. As provided by Subchapter
3 J, Chapter 49, Water Code, the board may add territory to the
4 district, subject to Section 54.016, Water Code, except that the
5 addition of the territory must be approved by:

6 (1) the governing body of the town; and

7 (2) the owners of the territory being added.

8 Sec. 3910.112. EXCLUDING TERRITORY. The board may exclude
9 land from the district as provided by Section 375.044, Local
10 Government Code.

11 Sec. 3910.113. NO EMINENT DOMAIN POWER. The district may
12 not exercise the power of eminent domain.

13 Sec. 3910.114. NO TOLL ROADS. The district may not
14 construct, acquire, maintain, or operate a toll road.

15 [Sections 3910.115-3910.150 reserved for expansion]

16 SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

17 Sec. 3910.151. IMPROVEMENT PROJECTS AND SERVICES. The
18 district may provide, design, construct, acquire, improve,
19 relocate, operate, maintain, or finance an improvement project or
20 service using money available to the district, or contract with a
21 governmental or private entity to provide, design, construct,
22 acquire, improve, relocate, operate, maintain, or finance an
23 improvement project or service authorized under this chapter or
24 Chapter 375, Local Government Code.

25 Sec. 3910.152. BOARD DETERMINATION REQUIRED. The district
26 may not undertake an improvement project unless the board
27 determines the project to be necessary to accomplish a public

1 purpose of the district.

2 Sec. 3910.153. LOCATION OF IMPROVEMENT PROJECT. An
3 improvement project may be inside or outside the district.

4 Sec. 3910.154. TOWN REQUIREMENTS. (a) An improvement
5 project must comply with any applicable town requirements,
6 including codes and ordinances.

7 (b) The district may not provide, conduct, or authorize any
8 improvement project on the town streets, highways, rights-of-way,
9 or easements without the consent of the governing body of the town.

10 Sec. 3910.155. ADDITIONAL TOWN POWERS REGARDING
11 IMPROVEMENT PROJECTS. (a) Unless the district and the town agree
12 otherwise, the town may:

13 (1) by ordinance, order, or resolution require that
14 title to all or any portion of an improvement project vest in the
15 town; or

16 (2) by ordinance, order, or resolution or other
17 directive authorize the district to own, encumber, maintain, and
18 operate an improvement project or convey the project to the town at
19 a later date.

20 (b) The district shall immediately comply with any town
21 ordinance, order, or resolution adopted under this section.

22 Sec. 3910.156. LAKE. For the purposes of this subchapter,
23 planning, design, construction, improvement, or maintenance of a
24 lake includes work done for drainage, reclamation, or recreation.

25 Sec. 3910.157. STORM WATER. An improvement project may
26 include protection and improvement of the quality of storm water
27 that flows through the district.

1 Sec. 3910.158. EDUCATION AND CULTURE. An improvement
2 project may include the planning and acquisition of:

3 (1) public art and sculpture and related exhibits and
4 facilities; or

5 (2) an educational facility and a cultural exhibit or
6 facility.

7 Sec. 3910.159. CONVENTION CENTER. An improvement project
8 may include the planning, design, construction, acquisition,
9 lease, rental, improvement, maintenance, installation, and
10 management of and provision of furnishings for a facility for:

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

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

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

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

16 Sec. 3910.160. DEMOLITION. An improvement project may
17 include the removal, razing, demolition, or clearing of land or
18 improvements in connection with an improvement project.

19 Sec. 3910.161. MITIGATION OF ENVIRONMENTAL EFFECTS. An
20 improvement project may include the acquisition and improvement of
21 land or other property for the mitigation of the environmental
22 effects of an improvement project.

23 Sec. 3910.162. ACQUISITION OF PROPERTY. An improvement
24 project may include the acquisition of property or an interest in
25 property in connection with an improvement project.

26 Sec. 3910.163. SPECIAL OR SUPPLEMENTAL SERVICES. An
27 improvement project may include a special or supplemental service

1 for the improvement and promotion of the district or an area
2 adjacent to the district or for the protection of public health and
3 safety in or adjacent to the district, including:

- 4 (1) tourism;
- 5 (2) fire protection or emergency medical services;
- 6 (3) the elimination of traffic congestion; and
- 7 (4) educational improvements, enhancements, and
8 services.

9 Sec. 3910.164. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
10 MAINTENANCE. An improvement project may include the planning,
11 design, construction, improvement, and maintenance of:

- 12 (1) highway right-of-way or transit corridor
13 beautification and improvement;
- 14 (2) a hiking and cycling path or trail;
- 15 (3) a pedestrian walkway; or
- 16 (4) a garden, sports facility, open space, or related
17 exhibit or preserve.

18 Sec. 3910.165. SIMILAR IMPROVEMENT PROJECTS. An
19 improvement project may include a public improvement, facility, or
20 service similar to a project described by this subchapter.

21 Sec. 3910.166. CONTRACTS. A contract to design, construct,
22 acquire, improve, relocate, operate, maintain, or finance an
23 improvement project is considered a contract for a good or service
24 under Subchapter I, Chapter 271, Local Government Code.

25 [Sections 3910.167-3910.200 reserved for expansion]

26 SUBCHAPTER C-2. CONTRACTS

27 Sec. 3910.201. GENERAL CONTRACT POWERS. The district may

1 contract with any person to accomplish any district purpose.

2 Sec. 3910.202. CONTRACT TERMS. (a) In this section, "note"
3 includes a bond anticipation note.

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

10 Sec. 3910.203. REIMBURSEMENT OF COSTS. The district may
11 contract with any person for the payment, repayment, or
12 reimbursement of costs incurred by that person on behalf of the
13 district, including all or part of the costs of an improvement
14 project and interest on the reimbursed cost.

15 Sec. 3910.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The
16 district may contract with any person for the use, occupancy,
17 lease, rental, operation, maintenance, or management of all or part
18 of a proposed or existing improvement project.

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

27 Sec. 3910.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED.

1 Except as provided by Section 3910.206, any person may contract
2 with the district to carry out the purposes of this chapter without
3 further statutory or other authorization.

4 Sec. 3910.206. TOWN APPROVAL OF PROPERTY TAX CONTRACT. The
5 district may not enter into a contract payable from property taxes
6 for a period longer than one year unless the governing body of the
7 town approves the contract.

8 [Sections 3910.207-3910.250 reserved for expansion]

9 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

10 Sec. 3910.251. BORROWING MONEY; OBLIGATIONS. (a) The
11 district may borrow money for a district purpose by issuing bonds,
12 notes, time warrants, or other obligations, or by entering into a
13 contract or other agreement payable wholly or partly from an
14 assessment, an ad valorem tax, an impact fee, a contract payment, a
15 grant, sales and use tax revenue from a zone created under Chapter
16 311 or 312, Tax Code, or under Chapter 2303, Government Code, other
17 district revenue, or a combination of these sources.

18 (b) An obligation described by Subsection (a):

19 (1) may bear interest at a rate determined by the
20 board; and

21 (2) may include a term or condition as determined by
22 the board.

23 Sec. 3910.252. ASSESSMENTS. The district may impose an
24 assessment on property in the district to pay for an obligation
25 described by Section 3910.251 in the manner provided for:

26 (1) a district under Chapter 375, Local Government
27 Code; or

1 (2) a municipality or county under Chapter 372, Local
2 Government Code.

3 [Sections 3910.253-3910.300 reserved for expansion]

4 SUBCHAPTER E. TAXES AND BONDS

5 Sec. 3910.301. ELECTIONS REGARDING TAXES OR BONDS. (a) The
6 district may issue, without an election, bonds and other
7 obligations secured by revenue or contract payments from any source
8 other than ad valorem taxes.

9 (b) The district must obtain the approval of the governing
10 body of the town and hold an election in the manner provided by
11 Chapters 49 and 54, Water Code, to obtain voter approval before the
12 district may impose an ad valorem tax or issue bonds payable from ad
13 valorem taxes.

14 (c) The district may not issue bonds payable from ad valorem
15 taxes to finance a road project unless the issuance is approved by a
16 vote of a two-thirds majority of the district voters voting at an
17 election held for that purpose.

18 Sec. 3910.302. OPERATION AND MAINTENANCE TAX. (a) If
19 authorized by a majority of the district voters voting at an
20 election held under Section 3910.301, the district may impose an
21 operation and maintenance tax on taxable property in the district
22 in accordance with Section 49.107, Water Code, for any district
23 purpose, including to:

24 (1) operate and maintain the district;

25 (2) construct or acquire improvements; or

26 (3) provide a service.

27 (b) The board shall determine the tax rate. The rate may not

1 exceed the rate approved at the election.

2 Sec. 3910.303. CONTRACT TAXES. (a) In accordance with
3 Section 49.108, Water Code, the district may impose a tax other than
4 an operation and maintenance tax and use the revenue derived from
5 the tax to make payments under a contract after the provisions of
6 the contract have been approved by a majority of the district voters
7 voting at an election held for that purpose.

8 (b) A contract approved by the district voters may contain a
9 provision stating that the contract may be modified or amended by
10 the board without further voter approval.

11 Sec. 3910.304. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
12 the time bonds or other obligations payable wholly or partly from ad
13 valorem taxes are issued:

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

17 (2) the district annually shall impose an ad valorem
18 tax on all taxable property in the district in an amount sufficient
19 to:

20 (A) pay the interest on the bonds or other
21 obligations as the interest becomes due;

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

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

26 Sec. 3910.305. BONDS FOR ROAD PROJECTS. At the time of
27 issuance, the total principal amount of bonds or other obligations

1 issued or incurred to finance road projects may not exceed
2 one-fourth of the assessed value of the real property in the
3 district.

4 Sec. 3910.306. BOND MATURITY. Bonds may mature not more
5 than 40 years from their date of issue.

6 Sec. 3910.307. DEVELOPMENT AGREEMENT; CONSENT OF TOWN. An
7 obligation must be authorized by a development agreement or
8 otherwise approved by the governing body of the town.

9 Sec. 3910.308. TOWN NOT REQUIRED TO PAY DISTRICT
10 OBLIGATIONS. The town is not required to pay a bond, note, or other
11 obligation of the district.

12 Sec. 3910.309. CERTAIN OBLIGATIONS NOT SUBJECT TO
13 JURISDICTION OR SUPERVISION OF TEXAS COMMISSION ON ENVIRONMENTAL
14 QUALITY. An obligation described by Section 3910.301 and secured
15 by special assessments is not subject to the jurisdiction or
16 supervision of the Texas Commission on Environmental Quality under
17 Chapter 49 or 54, Water Code, Section 375.208, Local Government
18 Code, or any other law.

19 [Sections 3910.310-3910.350 reserved for expansion]

20 SUBCHAPTER F. DISSOLUTION

21 Sec. 3910.351. DISSOLUTION BY TOWN ORDINANCE. (a) The town
22 by ordinance may dissolve the district.

23 (b) The town may not dissolve the district until the
24 district's outstanding debt or contractual obligations that are
25 payable from ad valorem taxes have been repaid or discharged.

26 (c) The town may not dissolve the district until a
27 development agreement has been executed and the district's

1 performance under the agreement has been fulfilled, including any
2 right or obligation the district has to reimburse a developer or
3 owner for the costs of improvement projects.

4 Sec. 3910.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

5 (a) If the dissolved district has bonds or other obligations
6 outstanding secured by and payable from assessments or other
7 revenue, other than ad valorem taxes, the town shall succeed to the
8 rights and obligations of the district regarding enforcement and
9 collection of the assessments or other revenue.

10 (b) The town shall have and exercise all district powers to
11 enforce and collect the assessments or other revenue to pay:

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

14 (2) special revenue or assessment bonds or other
15 obligations issued by the town to refund the outstanding bonds or
16 obligations.

17 Sec. 3910.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
18 After the town dissolves the district, the town assumes the
19 obligations of the district, including any bonds or other
20 indebtedness payable from assessments or other district revenue.

21 (b) If the town dissolves the district, the board shall
22 transfer ownership of all district property to the town.

23 SECTION 2. The Prosper Municipal Management District No. 2
24 initially includes all the territory contained in the following
25 area:

26 BEING a parcel of land located in the City of Prosper, Collin
27 County, Texas, and being a part of the Collin County School Land

1 Survey, Abstract No. 147, and being a part of a called 188.635 acre
2 tract of land described in a Trustee's Deed and Bill of Sale to
3 M.A.H.G. Partnership as recorded in Document No. 20100601000545080
4 of the Official Public Records of Collin County, Texas, and being
5 further described as follows:

6 COMMENCING at a one-half inch iron rod found at the southeast corner
7 of said 188.635 acre tract of land, said point being the
8 intersection of the north right-of-way line of State Highway No.
9 380 (a variable width right-of-way) with the west right-of-way line
10 of the Dallas North Tollway (a variable width right-of-way);

11 THENCE along the west right-of-way line of the Dallas North Tollway
12 as follows:North 00 degrees 25 minutes 34 seconds West, 523.30 feet
13 to a one-half inch iron rod found for corner;

14 Northeasterly, 250.65 feet along a curve to the right
15 which has a central angle of 02 degrees 30 minutes 00 seconds, a
16 radius of 5,744.58 feet, a tangent of 125.34 feet, and whose chord
17 bears North 00 degrees 49 minutes 26 seconds East, 250.63 feet to a
18 one-half inch iron rod found for corner;

19 North 02 degrees 04 minutes 26 seconds East, 587.13 feet
20 to a one-half inch iron rod found for corner;

21 Northeasterly, 233.77 feet along a curve to the right
22 which has a central angle of 01 degrees 09 minutes 03 seconds, a
23 radius of 11,639.16 feet, a tangent of 116.89 feet, and whose chord
24 bears North 02 degrees 38 minutes 57 seconds East, 233.77 feet to
25 the POINT OF BEGINNING of this tract of land;

26 THENCE South 89 degrees 43 minutes 30 seconds West, 2,369.30 feet to
27 a one-iron pipe found for corner in the west line of said 188.635

1 acre tract of land;

2 THENCE along the west line of said 188.635 acre tract of land as
3 follows:

4 North 00 degrees 24 minutes 51 seconds East, 974.29 feet
5 to a one-half inch iron rod found for corner;

6 North 89 degrees 28 minutes 46 seconds West, 38.28 feet
7 to a one-half inch iron rod found for corner;

8 North 00 degrees 00 minutes 43 seconds West, 650.33 feet
9 to a point for corner;

10 THENCE North 89 degrees 22 minutes 23 seconds East, 1,352.75 feet to
11 a point for corner;

12 THENCE South 00 degrees 34 minutes 52 seconds East, 6.73 feet to a
13 one-half inch iron rod found for corner;

14 THENCE South 00 degrees 31 minutes 42 seconds East, 651.92 feet to a
15 one-half inch iron rod found for corner;

16 THENCE North 89 degrees 39 minutes 24 seconds East, 1,117.44 feet to
17 a one-half inch iron rod found for corner in the west right-of-way
18 line of the Dallas North Tollway;

19 THENCE along the west right-of-way line of the North Dallas Tollway
20 as follows:

21 South 04 degrees 37 minutes 34 seconds West, 705.31 feet
22 to a point for corner;

23 Southwesterly, 274.07 feet along a curve to the left
24 which has a central angle of 01 degrees 20 minutes 57 seconds, a
25 radius of 11,639.16 feet, a tangent of 137.04 feet and whose chord
26 bears South 03 degrees 54 minutes 00 seconds West, 274.07 feet to
27 the POINT OF BEGINNING and containing 3,229,435 square feet or

1 74.138 acres of land.

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

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

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

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

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2011.