

By: Nichols

S.B. No. 1184

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

11 [Sections 3897.008-3897.050 reserved for expansion]

12 SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

23 (2) an employee of a person described by Subdivision

24 (1).

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

27 Sec. 3897.054. VACANCY. (a) The remaining directors shall

1 fill a vacancy on the board by appointing a person who meets the
2 qualifications prescribed by Section 3897.053.

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

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

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

13 Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
14 EXPENSES. (a) The district may compensate each director in an
15 amount not to exceed \$50 for each board meeting. The total amount
16 of compensation a director may receive each year may not exceed
17 \$2,000.

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

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

	<u>Pos. No.</u>	<u>Name of Director</u>
24	<u>1</u>	=====
25	<u>2</u>	=====
26	<u>3</u>	=====
27	<u>4</u>	=====

1 5

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

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

7 [Sections 3897.059-3897.100 reserved for expansion]

8 SUBCHAPTER C. POWERS AND DUTIES

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

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

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

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

27 Sec. 3897.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The

1 district has the powers provided by Subchapter A, Chapter 372,
2 Local Government Code, to a municipality or county.

3 Sec. 3897.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The
4 district has the powers provided by Chapter 375, Local Government
5 Code.

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

8 (1) to administer or operate the district;

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

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

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

15 Sec. 3897.107. CONFLICT WITH MUNICIPAL RULE, ORDER, OR
16 ORDINANCE. To the extent a district rule conflicts with a rule,
17 order, or ordinance of a municipality in which the district is
18 located, the municipal rule, order, or ordinance controls.

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

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

26 Sec. 3897.110. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR
27 FACILITY OF DISTRICT. (a) The board by rule may regulate the

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

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

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

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

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

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

25 (B) the owners of the territory being added or
26 removed;

27 (2) a reference to a tax in Subchapter J, Chapter 49,

1 or Section 54.016, Water Code, means an ad valorem tax; and

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

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

9 (b) The district may exercise the economic development
10 powers that:

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

13 (2) Chapter 1509, Government Code, provides to a
14 municipality.

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

17 [Sections 3897.114-3897.150 reserved for expansion]

18 SUBCHAPTER C-1. IMPROVEMENT PROJECTS

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

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

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

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

5 Sec. 3897.154. LAKE. For the purposes of this subchapter,
6 planning, design, construction, improvement, or maintenance of a
7 lake includes work done for drainage, reclamation, or recreation.

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

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

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

18 Sec. 3897.157. STORM WATER. An improvement project may
19 include protection and improvement of the quality of storm water
20 that flows through the district.

21 Sec. 3897.158. PARKING OR HELIPORT. An improvement project
22 may include the planning, design, construction, improvement,
23 maintenance, and operation of an off-street parking facility or
24 heliport.

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

27 (1) public art and sculpture and related exhibits and

1 facilities; or

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

4 Sec. 3897.160. CONVENTION CENTER. An improvement project
5 may include the planning, design, construction, acquisition,
6 lease, rental, improvement, maintenance, installation, and
7 management of and provision of furnishings for a facility for:

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

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

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

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

13 Sec. 3897.161. DEMOLITION. An improvement project may
14 include the removal, razing, demolition, or clearing of land or
15 improvements in connection with an improvement project.

16 Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An
17 improvement project may include the acquisition and improvement of
18 land or other property for the mitigation of the environmental
19 effects of an improvement project.

20 Sec. 3897.163. ACQUISITION OF PROPERTY. An improvement
21 project may include the acquisition of property or an interest in
22 property in connection with an improvement project, including a
23 project authorized by Subchapter A, Chapter 372, Local Government
24 Code.

25 Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An
26 improvement project may include a special or supplemental service
27 for the improvement and promotion of the district or an area

1 adjacent to the district or for the protection of public health and
2 safety in or adjacent to the district, including:

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

15 Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
16 MAINTENANCE. An improvement project may include the planning,
17 design, construction, improvement, and maintenance of:

- 18 (1) landscaping;
- 19 (2) highway right-of-way or transit corridor
20 beautification and improvement;
- 21 (3) lighting, banners, and signs;
- 22 (4) a street or sidewalk;
- 23 (5) a hiking and cycling path or trail;
- 24 (6) a pedestrian walkway, skywalk, crosswalk, or
25 tunnel;
- 26 (7) a park, lake, garden, recreational facility,
27 community activities center, dock, wharf, sports facility, open

1 space, scenic area, or related exhibit or preserve;

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

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

4 Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An
5 improvement project may include a public improvement, facility, or
6 service similar to a project described by this subchapter.

7 [Sections 3897.167-3897.200 reserved for expansion]

8 SUBCHAPTER C-2. CONTRACTS

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

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

13 (b) A contract the district enters into to carry out a
14 purpose of this chapter may be on any terms and for any period the
15 board determines, including an obligation to issue a negotiable or
16 nonnegotiable note or warrant payable to a municipality, a county,
17 or any other person for the payment or reimbursement of any district
18 costs.

19 Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may
20 contract with any person for the payment, repayment, or
21 reimbursement of costs incurred by that person on behalf of the
22 district, including all or part of the costs of an improvement
23 project and interest on the reimbursed cost.

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

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

9 Sec. 3897.205. NO FURTHER CONTRACT AUTHORIZATION REQUIRED.
10 Any person, including a municipality or county in which the
11 district is located, may contract with the district to carry out the
12 purposes of this chapter without further statutory or other
13 authorization.

14 [Sections 3897.206-3897.250 reserved for expansion]

15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

16 Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
17 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
18 may issue bonds, impose taxes, or borrow money, the district and
19 each municipality in which the district is located must negotiate
20 and execute a project development agreement regarding the
21 development plans and rules for:

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

23 (2) the financing of improvement projects.

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

26 (b) The district may borrow money for a district purpose by
27 issuing or executing bonds, negotiable or nonnegotiable notes,

1 credit agreements, or other obligations of any kind found by the
2 board to be necessary or appropriate for a district purpose. The
3 bond, note, credit agreement, or other obligation must be secured
4 by and payable from any combination of ad valorem taxes,
5 assessments, future bond proceeds, or any other district revenue or
6 sources of money.

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

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

18 (2) any other revenue or resources of the district,
19 including bond proceeds, or other revenue received under an
20 agreement with a municipality, including revenue from a tax
21 increment reinvestment zone created by the municipality.

22 Sec. 3897.254. ASSESSMENTS. (a) The district may impose an
23 assessment on property in the district to pay the cost or the cost
24 of maintenance of any authorized district improvement in the manner
25 provided for:

26 (1) a district under Subchapters A, E, and F, Chapter
27 375, Local Government Code; or

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

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

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

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

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

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

25 Sec. 3897.255. IMPACT FEES; EXEMPTION. (a) The district
26 may impose an impact fee on property in the district, including an
27 impact fee on residential or commercial property, only in the

1 manner provided by Subchapter A, Chapter 372, or Subchapter F,
2 Chapter 375, Local Government Code, for a municipality or county.

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

5 (1) public water and wastewater facilities;

6 (2) drainage and storm water facilities; and

7 (3) streets and alleys.

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

11 Sec. 3897.256. STORM WATER USER CHARGES. The district may
12 establish user charges related to the operation of storm water
13 facilities, including the regulation of storm water for the
14 protection of water quality in the district.

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

19 Sec. 3897.258. COSTS FOR IMPROVEMENT PROJECTS. The
20 district may undertake separately or jointly with other persons,
21 including a municipality or county in which the district is
22 located, all or part of the cost of an improvement project,
23 including an improvement project:

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

27 (2) that confers a general benefit on the entire

1 district or a special benefit on a definable part of the district.

2 Sec. 3897.259. RESIDENTIAL PROPERTY NOT EXEMPT. Section
3 375.161, Local Government Code, does not apply to the district.

4 [Sections 3897.260-3897.300 reserved for expansion]

5 SUBCHAPTER E. TAXES AND BONDS

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

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

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

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

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

17 (1) planning, constructing, acquiring, maintaining,
18 repairing, and operating all improvement projects, including land,
19 plants, works, facilities, improvements, appliances, and equipment
20 of the district; and

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

23 (b) The district may not impose a maintenance and operation
24 tax unless the tax is approved by a majority of the district voters
25 voting at an election held for that purpose. The proposition in a
26 maintenance and operation tax election may be for a specific
27 maximum rate or for an unlimited rate. If a maximum tax rate is

1 approved, the board may impose the tax at any rate that does not
2 exceed the approved rate.

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

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

11 Sec. 3897.304. TAX ABATEMENT. The district may enter into a
12 tax abatement agreement in accordance with the general laws of this
13 state authorizing and applicable to a tax abatement agreement by a
14 municipality.

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

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

27 (c) In addition to the sources of money described by

1 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
2 Government Code, district bonds may be secured and made payable,
3 wholly or partly, by a pledge of any part of the money the district
4 receives from system or improvement revenue or from any other
5 source, including future bond proceeds.

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

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

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

14 (2) the district annually shall impose an ad valorem
15 tax on all taxable property in the district in an amount sufficient
16 to:

17 (A) pay the interest on the bonds or other
18 obligations as the interest becomes due;

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

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

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

27 (c) The district shall hold an election required by this

1 section in the manner provided by Chapter 54, Water Code, and the
2 Election Code.

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

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

13 [Sections 3897.309-3897.350 reserved for expansion]

14 SUBCHAPTER F. DISSOLUTION

15 Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. (a)
16 The largest municipality in which the district is located may
17 dissolve the district by ordinance.

18 (b) The municipality may not dissolve the district until the
19 district's outstanding indebtedness or contractual obligations
20 that are payable from ad valorem taxes have been repaid or
21 discharged.

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

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

1 (a) If the dissolved district has bonds or other obligations
2 outstanding secured by and payable from assessments or other
3 revenue, other than ad valorem taxes, the municipality in which the
4 project that generated the revenue is located shall succeed to the
5 rights and obligations of the district regarding enforcement and
6 collection of the assessments or other revenue.

7 (b) The municipality shall have and exercise all district
8 powers to enforce and collect the assessments or other revenue to
9 pay:

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

12 (2) special revenue or assessment bonds or other
13 obligations issued by the municipality to refund the outstanding
14 bonds or obligations.

15 Sec. 3897.353. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
16 After the municipality dissolves the district, the municipality
17 assumes the obligations of the district, including any bonds or
18 other indebtedness payable from assessments or other district
19 revenue.

20 (b) If the municipality dissolves the district, the board
21 shall transfer ownership of all district property to the
22 municipality in which the property is located, or if the property is
23 not located in a municipality, to the county in which the property
24 is located.

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

27 All that certain tract or parcel of land lying and being

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

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

17 THENCE N 86°12'34" E (called N 86°45' E in 272/359 and N
18 89°36'53" E in 3/5-7 PRNCT) with the NBL of the 13.592 acre tract and
19 the SBL of Kenbrook North Addition, at 286.9 feet pass a point 1.7
20 feet south of a 3/4" iron rod found, at 406.6 feet pass a point 0.3
21 feet north of a 1/2" iron rod found, at 525.6 feet pass a point 1.4
22 feet south of a 3/4" iron rod found, at 766.6 feet pass a point 1.0
23 feet south of a 3/4" iron pipe found, at 886.6 feet pass a point 0.5
24 feet south of a 5/8" iron rod found, and in all 992.29 feet (called
25 1119.4' in 272/359 and 994.65' in 3/5-7 PRNCT) to a 2" iron pipe
26 found for angle corner in the SBL of Kenbrook North Addition, the
27 occupied NEC of the 13.592 acre tract, the NWC of a 11.3 acre tract

1 described as Tract Two in a deed from Texas Service Life Insurance
2 Company to Lyle Thorstenson, et ux, dated November 4, 1992,
3 recorded in Volume 828, Page 30 of the DRNCT;

4 THENCE S 06°42'53" W (called S 10° W in 272/359 and S 11° W in
5 828/30) with the occupied EBL of the 13.592 acre tract and the WBL
6 of the 11.3 acre tract, at 362.61 feet pass a 3/8" iron rod found for
7 the SWC of the 11.3 acre tract and the NWC of a 10.39 acre tract
8 described in a deed from Tom Jones to Charles Logan, et ux, dated
9 July 22, 1966, recorded in Volume 337, Page 372 of the DRNCT, and in
10 all 382.11 feet to a point for corner in the centerline of a branch
11 and the WBL of the 10.39 acre tract;

12 THENCE with the meanders of the centerline of said branch as
13 follows:

- 14 1. S 82°09'36" W, 50.72 feet; 2. S 48°54'39" W, 35.18 feet;
- 15 3. S 34°22'24" W, 29.53 feet; 4. S 74°58'24" W, 18.52 feet;
- 16 5. S 49°38'26" W, 43.35 feet; 6. S 00°39'30" W, 39.58 feet;
- 17 7. S 55°24'09" W, 48.03 feet; 8. S 04°28'22" W, 45.81 feet;
- 18 9. S 56°30'54" W, 15.88 feet; 10. N 69°22'31" W, 46.25 feet;
- 19 11. S 55°31'51" W, 61.21 feet; 12. S 70°31'12" W, 100.13 feet;
- 20 13. S 85°50'02" W, 34.33 feet; 14. N 58°03'58" W, 51.81 feet;
- 21 15. S 79°38'09" W, 59.16 feet; 16. N 79°34'50" W, 57.07 feet;
- 22 17. N 62°50'24" W, 44.62 feet; 18. N 70°59'09" W, 29.20 feet;
- 23 19. N 46°17'24" W, 22.76 feet; 20. S 46°05'11" W, 106.77 feet;
- 24 21. N 52°48'49" W, 76.41 feet; 22. N 24°49'49" W, 32.59 feet;
- 25 23. N 68°46'25" W, 89.22 feet; 24. N 55°51'25" W, 44.31 feet;
- 26 25. N 60°43'07" W, 63.64 feet; 26. N 83°43'02" W, 76.64 feet;
- 27 27. N 39°08'20" W, 45.76 feet; 28. S 64°00'08" W, 55.43 feet;

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

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

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

21 THENCE N 88°44'28" W (called N 85°23'52" W in 5/33 PRNCT),
22 75.00 feet with the NBL of Lot 2 to a 1/2" iron rod found for corner;

23 THENCE N 01°10'22" E, 345.85 feet to a 1/2" iron rod set for
24 corner in the SBL of a 4.145 acre tract described in a deed from Lone
25 Star Breeder Farm, Inc., to the City of Nacogdoches, dated July 16,
26 2007, recorded in Volume 2693, Page 177 of the DRNCT, said 4.145
27 acre tract being the right-of-way for Maroney Drive;

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

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

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

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

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

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

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

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

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

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

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

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

1 12. N 88°55'28" E, at 296.5 feet pass a wire fence, and in all
2 304.32 feet to an "X" found chiseled in a concrete drive at the most
3 easterly SEC of the 4.145 acre tract, in the WBL of Kenbrook North
4 Addition and the EBL of the 240.7 acre tract;

5 THENCE S 07°05'37" W (called S 10° W), at 141.3 feet pass a
6 point 1.1 feet east of a 3/8" iron rod, at 240.2 feet pass a point
7 0.6 feet east of a 1/2" iron rod, at 360.2 feet pass a point 0.7 feet
8 east of a 1/2" pipe, and in all 876.83 feet to the place of BEGINNING
9 containing within these calls 44.34 acres.

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