

1-1 By: Nichols S.B. No. 1184
1-2 (In the Senate - Filed March 4, 2011; March 16, 2011, read
1-3 first time and referred to Committee on Intergovernmental
1-4 Relations; April 29, 2011, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 29, 2011, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1184 By: Nichols

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

1-10 relating to the creation of the Timber Springs Municipal Management
1-11 District; providing authority to impose a tax, levy an assessment,
1-12 and issue bonds.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-14 SECTION 1. Subtitle C, Title 4, Special District Local Laws
1-15 Code, is amended by adding Chapter 3897 to read as follows:

1-16 CHAPTER 3897. TIMBER SPRINGS MUNICIPAL MANAGEMENT DISTRICT
1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 3897.001. DEFINITIONS. In this chapter:

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

1-20 (2) "Director" means a board member.

1-21 (3) "District" means the Timber Springs Municipal
1-22 Management District.

1-23 (4) "Improvement project" means a project authorized
1-24 by Subchapter C-1.

1-25 Sec. 3897.002. CREATION AND NATURE OF DISTRICT. The
1-26 district is a special district created under Section 59, Article
1-27 XVI, Texas Constitution.

1-28 Sec. 3897.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
1-29 creation of the district is essential to accomplish the purposes of
1-30 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
1-31 Texas Constitution, and other public purposes stated in this
1-32 chapter. By creating the district and in authorizing a
1-33 municipality in which the district is located and other political
1-34 subdivisions to contract with the district, the legislature has
1-35 established a program to accomplish the public purposes set out in
1-36 Section 52-a, Article III, Texas Constitution.

1-37 (b) The creation of the district is necessary to promote,
1-38 develop, encourage, and maintain employment, commerce,
1-39 transportation, housing, tourism, recreation, the arts,
1-40 entertainment, economic development, safety, and the public
1-41 welfare in the district.

1-42 (c) This chapter and the creation of the district may not be
1-43 interpreted to relieve a municipality or county in which the
1-44 district is located from providing the level of services provided
1-45 as of the effective date of the Act enacting this chapter to the
1-46 area in the district. The district is created to supplement and not
1-47 to supplant municipal and county services provided in the district.

1-48 Sec. 3897.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-49 (a) The district is created to serve a public use and benefit.

1-50 (b) All land and other property included in the district
1-51 will benefit from the improvements and services to be provided by
1-52 the district under powers conferred by Sections 52 and 52-a,
1-53 Article III, and Section 59, Article XVI, Texas Constitution, and
1-54 other powers granted under this chapter.

1-55 (c) The creation of the district is in the public interest
1-56 and is essential to further the public purposes of:

1-57 (1) developing and diversifying the economy of the
1-58 state;

1-59 (2) eliminating unemployment and underemployment;

1-60 (3) providing quality residential housing; and

1-61 (4) developing or expanding transportation and
1-62 commerce.

1-63 (d) The district will:

2-1 (1) promote the health, safety, and general welfare of
2-2 residents, employers, potential employees, employees, visitors,
2-3 and consumers in the district, and of the public;

2-4 (2) provide needed funding for the district to
2-5 preserve, maintain, and enhance the economic health and vitality of
2-6 the district territory as a residential community and business
2-7 center; and

2-8 (3) promote the health, safety, welfare, and enjoyment
2-9 of the public by providing pedestrian ways and by landscaping and
2-10 developing certain areas in the district, which are necessary for
2-11 the restoration, preservation, and enhancement of scenic beauty.

2-12 (e) Pedestrian ways along or across a street, whether at
2-13 grade or above or below the surface, and street lighting, street
2-14 landscaping, vehicle parking, and street art objects are parts of
2-15 and necessary components of a street and are considered to be an
2-16 improvement project that includes a street or road improvement.

2-17 (f) The district will not act as the agent or
2-18 instrumentality of any private interest even though the district
2-19 will benefit many private interests as well as the public.

2-20 Sec. 3897.005. DISTRICT TERRITORY. (a) The district is
2-21 composed of the territory described by Section 2 of the Act enacting
2-22 this chapter, as that territory may have been modified under
2-23 Section 3897.115 or other law.

2-24 (b) A mistake in the field notes of the district contained
2-25 in Section 2 of the Act enacting this chapter or in copying the
2-26 field notes in the legislative process does not in any way affect:

2-27 (1) the district's organization, existence, or
2-28 validity;

2-29 (2) the district's right to contract, including the
2-30 right to issue any type of bond or other obligation for a purpose
2-31 for which the district is created;

2-32 (3) the district's right to impose or collect an
2-33 assessment, tax, or any other revenue; or

2-34 (4) the legality or operation of the board.

2-35 Sec. 3897.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

2-36 (a) All or any part of the area of the district is eligible to be
2-37 included in:

2-38 (1) a tax increment reinvestment zone created by a
2-39 municipality in which the district is located under Chapter 311,
2-40 Tax Code;

2-41 (2) a tax abatement reinvestment zone created by a
2-42 municipality in which the district is located under Chapter 312,
2-43 Tax Code;

2-44 (3) an enterprise zone created by a municipality in
2-45 which the district is located under Chapter 2303, Government Code;
2-46 or

2-47 (4) an industrial zone created by a municipality in
2-48 which the district is located under Chapter 42, Local Government
2-49 Code.

2-50 (b) If a municipality in which the district is located
2-51 creates a tax increment reinvestment zone described by Subsection
2-52 (a), the municipality and the board of directors of the zone, by
2-53 contract with the district, may grant money deposited in the tax
2-54 increment fund to the district to be used by the district for the
2-55 purposes permitted for money granted to a corporation under Section
2-56 380.002(b), Local Government Code, including the right to pledge
2-57 the money as security for any bonds issued by the district for an
2-58 improvement project.

2-59 [Sections 3897.007-3897.050 reserved for expansion]

2-60 SUBCHAPTER B. BOARD OF DIRECTORS

2-61 Sec. 3897.051. GOVERNING BODY; TERMS. The district is
2-62 governed by a board of five directors who serve staggered terms of
2-63 four years, with two or three directors' terms expiring May 31 of
2-64 each even-numbered year.

2-65 Sec. 3897.052. ELECTION DATE. The board shall hold an
2-66 election for directors on the uniform election date in May in
2-67 even-numbered years.

2-68 Sec. 3897.053. ELIGIBILITY. (a) To be qualified to serve
2-69 as a director, a person must be:

3-1 (1) an owner of real property in the district; or
3-2 (2) an employee of a person described by Subdivision
3-3 (1).

3-4 (b) Section 49.052, Water Code, does not apply to the
3-5 district.

3-6 Sec. 3897.054. VACANCY. (a) The remaining directors shall
3-7 fill a vacancy on the board by appointing a person who meets the
3-8 qualifications prescribed by Section 3897.053.

3-9 (b) If there are fewer than three directors, the governing
3-10 body of the largest municipality in which the district is located
3-11 shall appoint the necessary number of directors to fill all board
3-12 vacancies.

3-13 Sec. 3897.055. DIRECTOR'S OATH OR AFFIRMATION. A director
3-14 shall file the director's oath or affirmation of office with the
3-15 district, and the district shall retain the oath or affirmation in
3-16 the district records.

3-17 Sec. 3897.056. OFFICERS. The board shall elect from among
3-18 the directors a chair, a vice chair, and a secretary.

3-19 Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF
3-20 EXPENSES. (a) The district may compensate each director in an
3-21 amount not to exceed \$50 for each board meeting. The total amount
3-22 of compensation a director may receive each year may not exceed
3-23 \$2,000.

3-24 (b) A director is entitled to reimbursement for necessary
3-25 and reasonable expenses incurred in carrying out the duties and
3-26 responsibilities of a director.

3-27 Sec. 3897.058. INITIAL DIRECTORS. (a) The initial board
3-28 consists of the following directors:

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

3-35 (b) Of the initial directors, the terms of directors
3-36 appointed for positions 1 and 2 expire May 31, 2012, and the terms
3-37 of directors appointed for positions 3 through 5 expire May 31,
3-38 2014.

3-39 (c) This section expires September 1, 2014.

3-40 [Sections 3897.059-3897.100 reserved for expansion]

3-41 SUBCHAPTER C. POWERS AND DUTIES

3-42 Sec. 3897.101. GENERAL POWERS AND DUTIES. The district has
3-43 the powers and duties necessary to accomplish the purposes for
3-44 which the district is created.

3-45 Sec. 3897.102. IMPROVEMENT PROJECTS AND SERVICES. The
3-46 district may provide, design, construct, acquire, improve,
3-47 relocate, operate, maintain, or finance an improvement project or
3-48 service using money available to the district, or contract with a
3-49 governmental or private entity to provide, design, construct,
3-50 acquire, improve, relocate, operate, maintain, or finance an
3-51 improvement project or service authorized under this chapter,
3-52 including a project described by Subchapter C-1, or under Chapter
3-53 375, Local Government Code.

3-54 Sec. 3897.103. DEVELOPMENT CORPORATION POWERS. The
3-55 district, using money available to the district, may exercise the
3-56 powers given to a development corporation under Chapter 505, Local
3-57 Government Code, including the power to own, operate, acquire,
3-58 construct, lease, improve, or maintain a project under that
3-59 chapter.

3-60 Sec. 3897.104. NONPROFIT CORPORATION. (a) The board by
3-61 resolution may authorize the creation of a nonprofit corporation to
3-62 assist and act for the district in implementing a project or
3-63 providing a service authorized by this chapter.

3-64 (b) The nonprofit corporation:

3-65 (1) has each power of and is considered to be a local
3-66 government corporation created under Subchapter D, Chapter 431,
3-67 Transportation Code; and

3-68 (2) may implement any project and provide any service
3-69 authorized by this chapter.

4-1 (c) The board shall appoint the board of directors of the
4-2 nonprofit corporation. The board of directors of the nonprofit
4-3 corporation shall serve in the same manner as the board of directors
4-4 of a local government corporation created under Subchapter D,
4-5 Chapter 431, Transportation Code, except that a board member is not
4-6 required to reside in the district.

4-7 Sec. 3897.105. AGREEMENTS; GRANTS. (a) As provided by
4-8 Chapter 375, Local Government Code, the district may make an
4-9 agreement with or accept a gift, grant, or loan from any person.

4-10 (b) The implementation of a project is a governmental
4-11 function or service for the purposes of Chapter 791, Government
4-12 Code.

4-13 Sec. 3897.106. LAW ENFORCEMENT SERVICES. To protect the
4-14 public interest, the district may contract with a qualified party,
4-15 including a county or a city, to provide law enforcement services in
4-16 the district for a fee.

4-17 Sec. 3897.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
4-18 district may join and pay dues to a charitable or nonprofit
4-19 organization that performs a service or provides an activity
4-20 consistent with the furtherance of a district purpose.

4-21 Sec. 3897.108. ECONOMIC DEVELOPMENT. (a) The district may
4-22 engage in activities that accomplish the economic development
4-23 purposes of the district.

4-24 (b) The district may establish and provide for the
4-25 administration of one or more programs to promote state or local
4-26 economic development and to stimulate business and commercial
4-27 activity in the district, including programs to:

- 4-28 (1) make loans and grants of public money; and
- 4-29 (2) provide district personnel and services.

4-30 (c) The district may create economic development programs
4-31 and exercise the economic development powers that:

- 4-32 (1) Chapter 380, Local Government Code, provides to a
4-33 municipality; and
- 4-34 (2) Subchapter A, Chapter 1509, Government Code,
4-35 provides to a municipality.

4-36 Sec. 3897.109. WATER DISTRICT POWERS. The district has the
4-37 powers provided by the general laws relating to conservation and
4-38 reclamation districts created under Section 59, Article XVI, Texas
4-39 Constitution, including Chapters 49 and 54, Water Code.

4-40 Sec. 3897.110. ROAD DISTRICT POWERS; EXCEPTION.
4-41 (a) Except as provided by Subsection (b) and Section 3897.117, the
4-42 district has the powers provided by the general laws relating to
4-43 road districts and road utility districts created under Section
4-44 52(b), Article III, Texas Constitution, including Chapter 441,
4-45 Transportation Code.

4-46 (b) The district may exercise any power granted by this
4-47 chapter and by Chapter 441, Transportation Code, without regard to
4-48 any provision or requirement of, or procedure or maintenance tax
4-49 rate limitation prescribed by, Chapter 441, Transportation Code.

4-50 Sec. 3897.111. CONFLICT WITH MUNICIPAL RULE, ORDER, OR
4-51 ORDINANCE. To the extent a district rule conflicts with a rule,
4-52 order, or ordinance of a municipality in which the district is
4-53 located, the municipal rule, order, or ordinance controls.

4-54 Sec. 3897.112. NAME CHANGE. The board by resolution may
4-55 change the district's name. The board shall give written notice of
4-56 the change to each municipality in which the district is located.

4-57 Sec. 3897.113. TERMS OF EMPLOYMENT; COMPENSATION. The
4-58 board may employ and establish the terms of employment and
4-59 compensation of an executive director or general manager and any
4-60 other district employees the board considers necessary.

4-61 Sec. 3897.114. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR
4-62 FACILITY OF DISTRICT. (a) The board by rule may regulate the
4-63 private use of a public roadway, open space, park, sidewalk, or
4-64 similar public area or facility in the district. A rule may provide
4-65 for the safe and orderly use of public roadways, open spaces, parks,
4-66 sidewalks, and similar public areas or facilities.

4-67 (b) The board may require a permit for a parade,
4-68 demonstration, celebration, entertainment event, or similar
4-69 nongovernmental activity in or on a public roadway, open space,

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

5-5 (c) The board may require a permit or franchise agreement
5-6 with a vendor, concessionaire, exhibitor, or similar private or
5-7 commercial person or organization for the limited use of the area or
5-8 facility owned by the district on terms and on payment of a permit
5-9 or franchise fee the board may impose.

5-10 Sec. 3897.115. ADDING OR REMOVING TERRITORY. As provided
5-11 by Subchapter J, Chapter 49, Water Code, the board may add territory
5-12 to the district, subject to Section 54.016, Water Code, or remove
5-13 territory from the district, except that:

5-14 (1) the addition or removal of the territory must be
5-15 approved by:

5-16 (A) the governing body of the municipality in
5-17 which the territory is located, as applicable; and

5-18 (B) the owners of the territory being added or
5-19 removed;

5-20 (2) a reference to a tax in Subchapter J, Chapter 49,
5-21 or Section 54.016, Water Code, means an ad valorem tax; and

5-22 (3) territory may not be removed from the district if
5-23 bonds or other obligations of the district payable wholly or partly
5-24 from ad valorem taxes or assessments levied or assessed on the
5-25 territory are outstanding.

5-26 Sec. 3897.116. NO EMINENT DOMAIN POWER. The district may
5-27 not exercise the power of eminent domain.

5-28 Sec. 3897.117. NO TOLL ROADS. The district may not
5-29 construct, acquire, maintain, or operate a toll road.

5-30 [Sections 3897.118-3897.150 reserved for expansion]

5-31 SUBCHAPTER C-1. IMPROVEMENT PROJECTS

5-32 Sec. 3897.151. MUNICIPAL REQUIREMENTS. (a) An
5-33 improvement project in a municipality must comply with any
5-34 applicable municipal requirements, including codes and ordinances.

5-35 (b) The district may not provide, conduct, or authorize any
5-36 improvement project on the municipality's streets, highways,
5-37 rights-of-way, or easements without the consent of the governing
5-38 body of that municipality.

5-39 Sec. 3897.152. BOARD DETERMINATION REQUIRED. The district
5-40 may not undertake an improvement project unless the board
5-41 determines the project to be necessary to accomplish a public
5-42 purpose of the district.

5-43 Sec. 3897.153. LOCATION OF IMPROVEMENT PROJECT. An
5-44 improvement project may be inside or outside the district.

5-45 Sec. 3897.154. LAKE. For the purposes of this subchapter,
5-46 planning, design, construction, improvement, or maintenance of a
5-47 lake includes work done for drainage, reclamation, or recreation.

5-48 Sec. 3897.155. WATER. (a) An improvement project may
5-49 include a supply and distribution facility or system to provide
5-50 potable and nonpotable water to the residents and businesses of the
5-51 district, including a wastewater collection facility.

5-52 (b) The district may plan, design, construct, improve,
5-53 maintain, or operate a water or sewer facility under this section.

5-54 Sec. 3897.156. ROADS. An improvement project may include a
5-55 paved, macadamized, or graveled road or street inside and outside
5-56 the district, to the full extent authorized by Section 52, Article
5-57 III, Texas Constitution.

5-58 Sec. 3897.157. STORM WATER. An improvement project may
5-59 include protection and improvement of the quality of storm water
5-60 that flows through the district.

5-61 Sec. 3897.158. PARKING OR HELIPORT. An improvement project
5-62 may include the planning, design, construction, improvement,
5-63 maintenance, and operation of an off-street parking facility or
5-64 heliport.

5-65 Sec. 3897.159. EDUCATION AND CULTURE. An improvement
5-66 project may include the planning and acquisition of:

5-67 (1) public art and sculpture and related exhibits and
5-68 facilities; or

5-69 (2) an educational facility and a cultural exhibit or

6-1 facility.

6-2 Sec. 3897.160. CONVENTION CENTER. An improvement project
6-3 may include the planning, design, construction, acquisition,
6-4 lease, rental, improvement, maintenance, installation, and
6-5 management of and provision of furnishings for a facility for:

- 6-6 (1) a conference, convention, or exhibition;
- 6-7 (2) a manufacturer, consumer, or trade show;
- 6-8 (3) a civic, community, or institutional event; or
- 6-9 (4) an exhibit, display, attraction, special event, or
6-10 seasonal or cultural celebration or holiday.

6-11 Sec. 3897.161. DEMOLITION. An improvement project may
6-12 include the removal, razing, demolition, or clearing of land or
6-13 improvements in connection with an improvement project.

6-14 Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An
6-15 improvement project may include the acquisition and improvement of
6-16 land or other property for the mitigation of the environmental
6-17 effects of an improvement project.

6-18 Sec. 3897.163. ACQUISITION OF PROPERTY. If the governing
6-19 body of the municipality where the improvement project is located
6-20 consents, an improvement project may include the acquisition of
6-21 property or an interest in property in connection with an
6-22 improvement project, including a project authorized by Subchapter
6-23 A, Chapter 372, Local Government Code.

6-24 Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An
6-25 improvement project may include a special or supplemental service
6-26 for the improvement and promotion of the district or an area
6-27 adjacent to the district or for the protection of public health and
6-28 safety in or adjacent to the district, including:

- 6-29 (1) advertising;
- 6-30 (2) promotion;
- 6-31 (3) tourism;
- 6-32 (4) health and sanitation;
- 6-33 (5) public safety;
- 6-34 (6) security;
- 6-35 (7) fire protection or emergency medical services;
- 6-36 (8) business recruitment;
- 6-37 (9) development;
- 6-38 (10) the elimination of traffic congestion; and
- 6-39 (11) recreational, educational, or cultural
6-40 improvements, enhancements, and services.

6-41 Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND
6-42 MAINTENANCE. An improvement project may include the planning,
6-43 design, construction, improvement, and maintenance of:

- 6-44 (1) landscaping;
- 6-45 (2) highway right-of-way or transit corridor
6-46 beautification and improvement;
- 6-47 (3) lighting, banners, and signs;
- 6-48 (4) a street or sidewalk;
- 6-49 (5) a hiking and cycling path or trail;
- 6-50 (6) a pedestrian walkway, skywalk, crosswalk, or
6-51 tunnel;
- 6-52 (7) a park, lake, garden, recreational facility,
6-53 community activities center, dock, wharf, sports facility, open
6-54 space, scenic area, or related exhibit or preserve;
- 6-55 (8) a fountain, plaza, or pedestrian mall; or
- 6-56 (9) a drainage or storm water detention improvement.

6-57 Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An
6-58 improvement project may include a public improvement, facility, or
6-59 service similar to a project described by this subchapter.

6-60 [Sections 3897.167-3897.200 reserved for expansion]

6-61 SUBCHAPTER C-2. CONTRACTS

6-62 Sec. 3897.201. GENERAL CONTRACT POWERS. The district may
6-63 contract with any person, including a municipality or county in
6-64 which the district is located, to accomplish any district purpose.

6-65 Sec. 3897.202. CONTRACT TERMS. (a) In this section,
6-66 "note" includes a bond anticipation note.

6-67 (b) A contract the district enters into to carry out a
6-68 purpose of this chapter may be on any terms and for any period the
6-69 board determines, including an obligation to issue a negotiable or

7-1 nonnegotiable note or warrant payable to a municipality, a county,
7-2 or any other person for the payment or reimbursement of any district
7-3 costs.

7-4 Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may
7-5 contract with any person for the payment, repayment, or
7-6 reimbursement of costs incurred by that person on behalf of the
7-7 district, including all or part of the costs of an improvement
7-8 project and interest on the reimbursed cost.

7-9 Sec. 3897.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The
7-10 district may contract with any person for the use, occupancy,
7-11 lease, rental, operation, maintenance, or management of all or part
7-12 of a proposed or existing improvement project.

7-13 (b) The district may apply for and contract with any person
7-14 to receive, administer, and perform a duty or obligation of the
7-15 district under a federal, state, local, or private gift, grant,
7-16 loan, conveyance, transfer, bequest, or other financial assistance
7-17 arrangement relating to the investigation, planning, analysis,
7-18 study, design, acquisition, construction, improvement, completion,
7-19 implementation, or operation by the district or others of a
7-20 proposed or existing improvement project.

7-21 [Sections 3897.205-3897.250 reserved for expansion]

7-22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

7-23 Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO
7-24 IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district
7-25 may issue bonds, impose taxes, or borrow money, the district and
7-26 each municipality in which the district is located must negotiate
7-27 and execute a project development agreement regarding the
7-28 development plans and rules for:

7-29 (1) the development and operation of the district; and

7-30 (2) the financing of improvement projects.

7-31 Sec. 3897.252. ELECTIONS REGARDING TAXES AND BONDS.
7-32 (a) The district may issue, without an election, bonds, notes, and
7-33 other obligations secured by revenue other than ad valorem taxes.

7-34 (b) The district must hold an election in the manner
7-35 provided by Subchapter L, Chapter 375, Local Government Code, to
7-36 obtain voter approval before the district may impose an ad valorem
7-37 tax or issue bonds payable from ad valorem taxes.

7-38 (c) Section 375.243, Local Government Code, does not apply
7-39 to the district.

7-40 (d) All or any part of any facilities or improvements that
7-41 may be acquired by a district by the issuance of its bonds may be
7-42 submitted as a single proposition or as several propositions to be
7-43 voted on at the election.

7-44 Sec. 3897.253. AUTHORITY TO BORROW MONEY AND TO ISSUE
7-45 BONDS. (a) The district may borrow money on terms determined by
7-46 the board. Section 375.205, Local Government Code, does not apply
7-47 to a loan, line of credit, or other borrowing from a bank or
7-48 financial institution secured by revenue other than ad valorem
7-49 taxes.

7-50 (b) The district may issue bonds, notes, or other
7-51 obligations payable wholly or partly from ad valorem taxes,
7-52 assessments, impact fees, revenue, contract payments, grants, or
7-53 other district money, or any combination of those sources of money,
7-54 to pay for any authorized district purpose.

7-55 Sec. 3897.254. ASSESSMENTS. (a) The district may impose
7-56 an assessment on property in the district to pay the cost or the
7-57 cost of maintenance of any authorized district improvement in the
7-58 manner provided for:

7-59 (1) a district under Subchapters A, E, and F, Chapter
7-60 375, Local Government Code; or

7-61 (2) a municipality or county under Subchapter A,
7-62 Chapter 372, Local Government Code.

7-63 (b) An assessment, a reassessment, or an assessment
7-64 resulting from an addition to or correction of the assessment roll
7-65 by the district, penalties and interest on an assessment or
7-66 reassessment, an expense of collection, and reasonable attorney's
7-67 fees incurred by the district:

7-68 (1) are a first and prior lien against the property
7-69 assessed; and

8-1 (2) are superior to any other lien or claim other than
8-2 a lien or claim for county, school district, or municipal ad valorem
8-3 taxes.

8-4 (c) The lien of an assessment against property runs with the
8-5 land. The portion of an assessment payment obligation that has not
8-6 yet come due is not eliminated by the foreclosure of an ad valorem
8-7 tax lien, and any purchaser of property in a foreclosure of an ad
8-8 valorem tax lien takes the property subject to the assessment
8-9 payment obligations that have not yet come due and to the lien and
8-10 terms of the lien's payment under the applicable assessment
8-11 ordinance or order.

8-12 (d) The board may make a correction to or deletion from the
8-13 assessment roll that does not increase the amount of assessment of
8-14 any parcel of land without providing notice and holding a hearing in
8-15 the manner required for additional assessments.

8-16 Sec. 3897.255. PETITION REQUIRED FOR FINANCING SERVICES AND
8-17 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
8-18 service or improvement project with assessments under this chapter
8-19 unless a written petition requesting that service or improvement
8-20 has been filed with the board.

8-21 (b) A petition filed under Subsection (a) must be signed by
8-22 the owners of a majority of the assessed value of real property in
8-23 the district subject to assessment according to the most recent
8-24 certified tax appraisal roll for the county.

8-25 Sec. 3897.256. IMPACT FEES; EXEMPTION. (a) The district
8-26 may impose an impact fee on property in the district, including an
8-27 impact fee on residential or commercial property, only in the
8-28 manner provided by Subchapter A, Chapter 372, or Subchapter F,
8-29 Chapter 375, Local Government Code, for a municipality or county.

8-30 (b) An impact fee for residential property must be for the
8-31 limited purpose of providing capital funding for:

- 8-32 (1) public water and wastewater facilities;
8-33 (2) drainage and storm water facilities; and
8-34 (3) streets and alleys.

8-35 (c) The district may not impose an impact fee on the
8-36 property, including equipment and facilities, of a public utility
8-37 provider in the district.

8-38 Sec. 3897.257. STORM WATER USER CHARGES. The district may
8-39 establish user charges related to the operation of storm water
8-40 facilities, including the regulation of storm water for the
8-41 protection of water quality in the district.

8-42 Sec. 3897.258. NONPOTABLE WATER USER CHARGES. The district
8-43 may establish user charges for the use of nonpotable water for
8-44 irrigation purposes, subject to approval of the governing body of
8-45 the municipality in which the user is located.

8-46 Sec. 3897.259. COSTS FOR IMPROVEMENT PROJECTS. The
8-47 district may undertake separately or jointly with other persons,
8-48 including a municipality or county in which the district is
8-49 located, all or part of the cost of an improvement project,
8-50 including an improvement project:

- 8-51 (1) for improving, enhancing, and supporting public
8-52 safety and security, fire protection and emergency medical
8-53 services, and law enforcement in and adjacent to the district; or
8-54 (2) that confers a general benefit on the entire
8-55 district or a special benefit on a definable part of the district.

8-56 Sec. 3897.260. RESIDENTIAL PROPERTY NOT EXEMPT. Section
8-57 375.161, Local Government Code, does not apply to the district.

8-58 [Sections 3897.261-3897.300 reserved for expansion]

8-59 SUBCHAPTER E. TAXES AND BONDS

8-60 Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may
8-61 impose an ad valorem tax on all taxable property in the district,
8-62 including industrial, commercial, and residential property, to:

8-63 (1) pay for an improvement project of the types
8-64 authorized by Section 52, Article III, and Section 59, Article XVI,
8-65 Texas Constitution; or

8-66 (2) secure the payment of bonds issued for a purpose
8-67 described by Subdivision (1).

8-68 Sec. 3897.302. TAXES FOR BONDS AND OTHER OBLIGATIONS;
8-69 ELECTION. (a) If the district issues bond anticipation notes

9-1 payable from future bond proceeds that are payable wholly or partly
9-2 from an ad valorem tax, the bonds must have been previously approved
9-3 at an election and meet the requirements of this section.

9-4 (b) At the time bonds or other obligations payable wholly or
9-5 partly from ad valorem taxes are issued:

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

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

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

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

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

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

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

9-25 Sec. 3897.303. MAINTENANCE AND OPERATION TAX; ELECTION.

9-26 (a) The district may impose a tax for maintenance and operation
9-27 purposes, including for:

9-28 (1) planning, constructing, acquiring, maintaining,
9-29 repairing, and operating all improvement projects, including land,
9-30 plants, works, facilities, improvements, appliances, and equipment
9-31 of the district; and

9-32 (2) paying costs of services, engineering and legal
9-33 fees, and organization and administrative expenses.

9-34 (b) The district may not impose a maintenance and operation
9-35 tax unless the tax is approved by a majority of the district voters
9-36 voting at an election held for that purpose. The proposition in a
9-37 maintenance and operation tax election may be for a specific
9-38 maximum rate or for an unlimited rate. If a maximum tax rate is
9-39 approved, the board may impose the tax at any rate that does not
9-40 exceed the approved rate.

9-41 (c) A maintenance and operation tax election may be held at
9-42 the same time and in conjunction with any other district election.
9-43 The election may be called by a separate election order or as part
9-44 of any other election order.

9-45 Sec. 3897.304. USE OF SURPLUS MAINTENANCE AND OPERATION
9-46 MONEY. If the district has maintenance and operation tax money that
9-47 is not needed for the purposes for which it was collected, the money
9-48 may be used for any authorized purpose.

9-49 Sec. 3897.305. TAX ABATEMENT. The district may enter into a
9-50 tax abatement agreement in accordance with the general laws of this
9-51 state authorizing and applicable to a tax abatement agreement by a
9-52 municipality.

9-53 Sec. 3897.306. BONDS AND OTHER OBLIGATIONS; MUNICIPAL
9-54 APPROVAL. (a) The district by competitive bid or negotiated sale
9-55 may issue bonds, notes, or other obligations payable wholly or
9-56 partly from ad valorem taxes, future bond proceeds, or assessments
9-57 in the manner provided by Subchapter A, Chapter 372, or Subchapter
9-58 J, Chapter 375, Local Government Code.

9-59 (b) In exercising the district's borrowing power, the
9-60 district may issue a bond or other obligation in the form of a bond,
9-61 note, including a bond anticipation note, certificate of
9-62 participation or other instrument evidencing a proportionate
9-63 interest in payments to be made by the district, or any other type
9-64 of obligation.

9-65 (c) In addition to the sources of money described by
9-66 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
9-67 Government Code, district bonds may be secured and made payable,
9-68 wholly or partly, by a pledge of any part of the money the district
9-69 receives from system or improvement revenue or from any other

10-1 source, including future bond proceeds.
10-2 Sec. 3897.307. BOND MATURITY. Bonds may mature not more
10-3 than 40 years from their date of issue.

10-4 [Sections 3897.308-3897.350 reserved for expansion]

10-5 SUBCHAPTER F. DISSOLUTION

10-6 Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. The
10-7 largest municipality in which the district is located may dissolve
10-8 the district by ordinance.

10-9 Sec. 3897.352. LIMITATION ON DISSOLUTION. The municipality
10-10 may not dissolve the district until:

10-11 (1) the district's outstanding bonds have been repaid
10-12 or defeased;

10-13 (2) the district's outstanding debt or contractual
10-14 obligations that are payable from ad valorem taxes have been repaid
10-15 or discharged; and

10-16 (3) each agreement under Section 3897.251 has been
10-17 executed and the district's performance under the agreement has
10-18 been fulfilled, including any right or obligation the district has
10-19 to reimburse a developer or owner for the costs of improvement
10-20 projects.

10-21 Sec. 3897.353. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

10-22 (a) If the dissolved district has obligations, other than bonds,
10-23 outstanding secured by and payable from assessments or other
10-24 revenue, other than ad valorem taxes, the municipality in which the
10-25 project that generated the revenue is located shall succeed to the
10-26 rights and obligations of the district regarding enforcement and
10-27 collection of the assessments or other revenue.

10-28 (b) The municipality shall have and exercise all district
10-29 powers to enforce and collect the assessments or other revenue to
10-30 pay:

10-31 (1) the obligations when due and payable according to
10-32 their terms; or

10-33 (2) special revenue or assessment bonds or other
10-34 obligations issued by the municipality to refund the outstanding
10-35 obligations.

10-36 Sec. 3897.354. ASSUMPTION OF ASSETS AND LIABILITIES.

10-37 (a) After the municipality dissolves the district, the
10-38 municipality assumes the obligations of the district, including any
10-39 debt payable from assessments or other district revenue.

10-40 (b) If the municipality dissolves the district, the board
10-41 shall transfer ownership of all district property to the
10-42 municipality in which the property is located, or if the property is
10-43 not located in a municipality, to the county in which the property
10-44 is located.

10-45 SECTION 2. The district shall include the following land,
10-46 described by metes and bounds as follows:

10-47 All that certain tract or parcel of land lying and being
10-48 situate in the City of Nacogdoches, Nacogdoches County, Texas on
10-49 the SAMUEL MARSHALL SURVEY, A-365, being part of a 98.4 acre tract
10-50 described as 1st Tract of Second Tract, part of a 34.1 acre tract
10-51 described as Third Tract, part of a 7.111 acre tract described as
10-52 Fifth Tract, and part of a 13.592 acre tract described as Seventh
10-53 Tract in a deed from C.S. Jones, et ux, to Lone Star Breeder Farm,
10-54 Inc., dated January 24, 1958, recorded in Volume 272, Page 359 of
10-55 the DRNCT, and part of a 240.7 acre tract described as First Tract
10-56 in a deed from Christian Medical Foundation, Inc., to Lone Star
10-57 Breeder Farm, Inc., recorded in Volume 334, Page 122 of the DRNCT,
10-58 and more particularly described as follows:

10-59 BEGINNING at a 1-1/2" iron pipe found at the base of a fence
10-60 corner post for the SWC of the Kenbrook North Addition, recorded in
10-61 Volume 3, Page 5-7 of the Plat Records of Nacogdoches County, Texas
10-62 (PRNCT), the NWC of the 13.592 acre tract, and in the EBL of the 98.4
10-63 acre tract;

10-64 THENCE N 86°12'34" E (called N 86°45' E in 272/359 and N
10-65 89°36'53" E in 3/5-7 PRNCT) with the NBL of the 13.592 acre tract and
10-66 the SBL of Kenbrook North Addition, at 286.9 feet pass a point 1.7
10-67 feet south of a 3/4" iron rod found, at 406.6 feet pass a point 0.3
10-68 feet north of a 1/2" iron rod found, at 525.6 feet pass a point 1.4
10-69 feet south of a 3/4" iron rod found, at 766.6 feet pass a point 1.0

11-1 feet south of a 3/4" iron pipe found, at 886.6 feet pass a point 0.5
11-2 feet south of a 5/8" iron rod found, and in all 992.29 feet (called
11-3 1119.4' in 272/359 and 994.65' in 3/5-7 PRNCT) to a 2" iron pipe
11-4 found for angle corner in the SBL of Kenbrook North Addition, the
11-5 occupied NEC of the 13.592 acre tract, the NWC of a 11.3 acre tract
11-6 described as Tract Two in a deed from Texas Service Life Insurance
11-7 Company to Lyle Thorstenson, et ux, dated November 4, 1992,
11-8 recorded in Volume 828, Page 30 of the DRNCT;

11-9 THENCE S 06°42'53" W (called S 10° W in 272/359 and S 11° W in
11-10 828/30) with the occupied EBL of the 13.592 acre tract and the WBL
11-11 of the 11.3 acre tract, at 362.61 feet pass a 3/8" iron rod found for
11-12 the SWC of the 11.3 acre tract and the NWC of a 10.39 acre tract
11-13 described in a deed from Tom Jones to Charles Logan, et ux, dated
11-14 July 22, 1966, recorded in Volume 337, Page 372 of the DRNCT, and in
11-15 all 382.11 feet to a point for corner in the centerline of a branch
11-16 and the WBL of the 10.39 acre tract;

11-17 THENCE with the meanders of the centerline of said branch as
11-18 follows:

- 11-19 1. S 82°09'36" W, 50.72 feet; 2. S 48°54'39" W, 35.18 feet;
- 11-20 3. S 34°22'24" W, 29.53 feet; 4. S 74°58'24" W, 18.52 feet;
- 11-21 5. S 49°38'26" W, 43.35 feet; 6. S 00°39'30" W, 39.58 feet;
- 11-22 7. S 55°24'09" W, 48.03 feet; 8. S 04°28'22" W, 45.81 feet;
- 11-23 9. S 56°30'54" W, 15.88 feet; 10. N 69°22'31" W, 46.25 feet;
- 11-24 11. S 55°31'51" W, 61.21 feet; 12. S 70°31'12" W, 100.13 feet;
- 11-25 13. S 85°50'02" W, 34.33 feet; 14. N 58°03'58" W, 51.81 feet;
- 11-26 15. S 79°38'09" W, 59.16 feet; 16. N 79°34'50" W, 57.07 feet;
- 11-27 17. N 62°50'24" W, 44.62 feet; 18. N 70°59'09" W, 29.20 feet;
- 11-28 19. N 46°17'24" W, 22.76 feet; 20. S 46°05'11" W, 106.77 feet;
- 11-29 21. N 52°48'49" W, 76.41 feet; 22. N 24°49'49" W, 32.59 feet;
- 11-30 23. N 68°46'25" W, 89.22 feet; 24. N 55°51'25" W, 44.31 feet;
- 11-31 25. N 60°43'07" W, 63.64 feet; 26. N 83°43'02" W, 76.64 feet;
- 11-32 27. N 39°08'20" W, 45.76 feet; 28. S 64°00'08" W, 55.43 feet;
- 11-33 29. S 78°15'18" W, 51.35 feet; 30. N 65°17'01" W, 40.20 feet;
- 11-34 31. N 51°25'37" W, 34.71 feet; 32. S 53°55'17" W, 95.66 feet;
- 11-35 33. S 64°46'48" W, 56.59 feet; 34. S 78°49'38" W, 60.02 feet;
- 11-36 35. N 84°08'55" W, 71.77 feet; 36. N 40°23'53" W, 27.74 feet;
- 11-37 37. N 60°00'50" W, 58.49 feet; 38. S 89°23'46" W, 38.39 feet;
- 11-38 39. S 51°47'35" W, 33.00 feet; 40. S 83°31'21" W, 29.43 feet;
- 11-39 41. S 41°10'09" W, 14.48 feet; 42. S 83°39'36" W, 22.67 feet;
- 11-40 43. N 20°02'08" W, 16.80 feet; 44. N 08°24'01" W, 14.46 feet;
- 11-41 45. N 65°25'57" W, 53.59 feet; 46. N 38°34'52" W, 33.98 feet;
- 11-42 47. N 76°14'16" W, 54.42 feet; 48. N 81°16'42" W, 44.12 feet;
- 11-43 49. N 60°00'12" W, 99.63 feet; 50. N 72°59'23" W, 68.62 feet;
- 11-44 51. N 68°45'56" W, 80.15 feet; 52. N 43°13'00" E, 40.35 feet;
- 11-45 53. N 78°25'21" W, 49.93 feet; 54. N 59°59'25" W, 60.28 feet;
- 11-46 55. N 49°49'20" W, 69.27 feet; 56. N 69°07'16" W, 53.13 feet

11-47 to a point for corner in the EBL of Lot 2, University Park
11-48 Subdivision, recorded in Volume 5, Page 33 of the PRNCT, from which
11-49 a 1/2" iron rod found for witness bears N 01°12'28" E, 30.00 feet;

11-50 THENCE N 01°12'28" E, 140.44 feet (called N 04°39'37" E in 5/33
11-51 PRNCT) with the EBL of Lot 2 to a 1" iron pipe found for corner, from
11-52 which a Tallow snag bears S 54° W, 2.0 feet;

11-53 THENCE N 88°44'28" W (called N 85°23'52" W in 5/33 PRNCT),
11-54 75.00 feet with the NBL of Lot 2 to a 1/2" iron rod found for corner;

11-55 THENCE N 01°10'22" E, 345.85 feet to a 1/2" iron rod set for
11-56 corner in the SBL of a 4.145 acre tract described in a deed from Lone
11-57 Star Breeder Farm, Inc., to the City of Nacogdoches, dated July 16,
11-58 2007, recorded in Volume 2693, Page 177 of the DRNCT, said 4.145
11-59 acre tract being the right-of-way for Maroney Drive;

11-60 THENCE with the SBL of the 4.145 acre tract as follows:

- 11-61 1. S 88°49'38" E, 189.84 feet to a 1/2" iron rod set for
11-62 corner;
- 11-63 2. Northeasterly, 399.38 feet with a tangent curve to the
11-64 left having a radius of 527.35 feet, a central angle of 43°23'31",
11-65 and a chord of N 69°28'36" E, 389.90 feet to a 1/2" iron rod set for
11-66 corner;
- 11-67 3. N 86°47'25" E, 25.99 feet to a 1/2" iron rod set for
11-68 corner;
- 11-69 4. N 41°47'25" E, 73.31 feet to a 1/2" iron rod set for

12-1 corner;
12-2 5. N 03°12'35" W, 21.92 feet to a 1/2" iron rod set for
12-3 corner;
12-4 6. N 41°47'25" E, 151.81 feet to a 1/2" iron rod found for
12-5 corner;
12-6 7. Northeasterly, 388.82 feet with a tangent curve to the
12-7 right, having a radius of 472.65 feet, a central angle of 47°08'02",
12-8 and a chord of N 65°21'26" E, 377.95 feet to a 1/2" iron rod found
12-9 for corner;
12-10 8. N 88°55'28" E, 37.19 feet to a 1/2" iron rod set for
12-11 corner;
12-12 9. S 46°04'33" E, 21.92 feet to a 1/2" iron rod set for
12-13 corner;
12-14 10. N 88°55'28" E, 73.31 feet to a 1/2" iron rod set for
12-15 corner;
12-16 11. N 43°55'27" E, 21.92 feet to a 1/2" iron rod set for
12-17 corner;
12-18 12. N 88°55'28" E, at 296.5 feet pass a wire fence, and in all
12-19 304.32 feet to an "X" found chiseled in a concrete drive at the most
12-20 easterly SEC of the 4.145 acre tract, in the WBL of Kenbrook North
12-21 Addition and the EBL of the 240.7 acre tract;
12-22 THENCE S 07°05'37" W (called S 10° W), at 141.3 feet pass a
12-23 point 1.1 feet east of a 3/8" iron rod, at 240.2 feet pass a point
12-24 0.6 feet east of a 1/2" iron rod, at 360.2 feet pass a point 0.7 feet
12-25 east of a 1/2" pipe, and in all 876.83 feet to the place of BEGINNING
12-26 containing within these calls 44.34 acres.
12-27 SECTION 3. This Act takes effect immediately if it receives
12-28 a vote of two-thirds of all the members elected to each house, as
12-29 provided by Section 39, Article III, Texas Constitution. If this
12-30 Act does not receive the vote necessary for immediate effect, this
12-31 Act takes effect September 1, 2011.

12-32

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