| **House Bill 3819**Senate AmendmentsSection-by-Section Analysis |
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| HOUSE VERSION | SENATE VERSION (CS) | CONFERENCE |
| SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3868 to read as follows:CHAPTER 3868. VALENCIA MUNICIPAL MANAGEMENT DISTRICT NO. 1SUBCHAPTER A. GENERAL PROVISIONSSec. 3868.001. DEFINITIONS. In this chapter:(1) "Board" means the district's board of directors.(2) "County" means Denton County, Texas.(3) "Development agreement" means the "Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 16, 2008, as recorded on January 5, 2009, in the real property records of Denton County, Texas, as Instrument Number 2009-499, as amended by the "First Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 1, 2009, as recorded on January 12, 2010, in the real property records of Denton County, Texas, as Instrument Number 2010-2983, between the town and Valencia on the Lake, L.P., a Texas limited partnership, as may be amended.(4) "Director" means a board member.(5) "District" means the Valencia Municipal Management District No. 1.(6) "Town" means the Town of Little Elm, Texas.Sec. 3868.002. 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.Sec. 3868.003. 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 the town and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.(c) This chapter and the creation of the district may not be interpreted to relieve the town or county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the town and county services provided in the district.Sec. 3868.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.(d) The creation of the district is in the public interest and is essential to:(1) further the public purposes of developing and diversifying the economy of the state;(2) eliminate unemployment and underemployment; and(3) develop or expand transportation and commerce.(e) The district will:(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.Sec. 3868.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3868.113 or other law.(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:(1) organization, existence, or validity;(2) right to contract;(3) authority to borrow money or issue bonds or other obligations described by Section 3868.201 or to pay the principal and interest of the bonds or other obligations;(4) right to impose or collect an assessment, or collect other revenue; or(5) legality or operation.Sec. 3868.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;(3) an enterprise zone created under Chapter 2303, Government Code; or(4) an industrial district created under Chapter 42, Local Government Code.(b) If the town creates a tax increment reinvestment zone described by Subsection (a), the town and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and(2) any other district purpose, including the right to pledge the money as security for any bonds issued by the district under Section 3868.201.(c) A tax increment reinvestment zone created by the town in the district is not subject to the limitations provided by Section 311.006, Tax Code.Sec. 3868.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.[Sections 3868.008-3868.050 reserved for expansion]SUBCHAPTER B. BOARD OF DIRECTORSSec. 3868.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of three directors composed of:(1) one director appointed by the governing body of the town who meets the qualifications prescribed by Section 3868.052(a);(2) the town manager; and(3) the finance director of the town.(b) An appointed director serves a term of four years.Sec. 3868.052. QUALIFICATIONS OF APPOINTED DIRECTOR. (a) To be qualified to serve as an appointed director under Section 3868.051(a)(1), a person must:(1) meet the qualifications of Section 375.063, Local Government Code;(2) be a partner of a partnership that owns property in the district;(3) be an officer of a corporation that owns property in the district;(4) be a member or officer of a limited liability company that owns property in the district; or(5) be a member or officer of a limited liability company that is a partner of a partnership that owns property in the district.(b) Section 49.052, Water Code, does not apply to the district.Sec. 3868.053. COMPLETE DISCRETION OF TOWN REGARDING APPOINTMENT OF DIRECTOR. The governing body of the town may refuse to appoint a person who is nominated to be a director and meets the qualifications prescribed by Section 3868.052(a). The governing body has complete discretion in the appointment of a director.Sec. 3868.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3868.052(a).(b) If there are fewer than three directors, the governing body of the town shall appoint the necessary number of directors to fill all board vacancies.Sec. 3868.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.Sec. 3868.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.Sec. 3868.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting. The total amount of compensation a director may receive each year may not exceed $6,000. A director who is an employee of the town may not receive compensation under this subsection.(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.Sec. 3868.058. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from commercial insurance companies or other sources that protect and insure the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.Sec. 3868.059. INITIAL DIRECTORS. (a) The initial board consists of the following directors:Pos. No.Name of Director1Ivan Langford, Town Manager2Alan Dickerson, Town Finance Director3Ross Calhoun(b) Of the initial directors, the term of the director appointed for position 3 expires May 31, 2014.(c) This section expires September 1, 2014.[Sections 3868.060-3868.100 reserved for expansion]SUBCHAPTER C. POWERS AND DUTIESSec. 3868.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.Sec. 3868.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.Sec. 3868.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.Sec. 3868.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.Sec. 3868.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.Sec. 3868.106. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.Sec. 3868.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.Sec. 3868.108. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.Sec. 3868.109. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.(b) The nonprofit corporation:(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and(2) may implement any project and provide any service authorized by this chapter.(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.Sec. 3868.110. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.Sec. 3868.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.Sec. 3868.112. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:(1) make loans and grants of public money; and(2) provide district personnel and services.(c) The district may create economic development programs and exercise the economic development powers that:(1) Chapter 380, Local Government Code, provides to a municipality; and(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.Sec. 3868.113. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:(1) the addition or removal of the territory must be approved by:(A) the governing body of the town; and(B) the owners of the territory being added or removed; and(2) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments levied or assessed on the territory are outstanding.Sec. 3868.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.Sec. 3868.115. NO AD VALOREM TAX. The district may not impose an ad valorem tax.Sec. 3868.116. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.[Sections 3868.117-3868.150 reserved for expansion]SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICESSec. 3868.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.Sec. 3868.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:(1) is necessary to accomplish a public purpose of the district; and(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.Sec. 3868.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.Sec. 3868.154. TOWN REQUIREMENTS. (a) An improvement project in the town must comply with any applicable requirements of the town, including codes and ordinances, that are consistent with the development agreement.(b) The district may not provide, conduct, or authorize any improvement project on the town's streets, highways, rights-of-way, or easements without the consent of the governing body of the town.Sec. 3868.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:(1) Chapter 372, Local Government Code; or(2) Chapter 375, Local Government Code.Sec. 3868.156. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.[Sections 3868.157-3868.200 reserved for expansion]SUBCHAPTER D. GENERAL FINANCIAL PROVISIONSSec. 3868.201. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.(b) An obligation described by Subsection (a):(1) may bear interest at a rate determined by the board; and(2) may include a term or condition as determined by the board.Sec. 3868.202. DEVELOPMENT AGREEMENT. Before the district borrows money or issues an obligation under Section 3868.201, the town must provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to borrow the money or enter the obligation.Sec. 3868.203. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3868.201 in the manner provided for:(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.Sec. 3868.204. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.Sec. 3868.205. OBLIGATIONS NOT SUBJECT TO JURISDICTION OR SUPERVISION OF TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. An obligation described by Section 3868.201 is not subject to the jurisdiction or supervision of the Texas Commission on Environmental Quality under Chapter 49, Water Code, Chapter 375, Local Government Code, or any other law.Sec. 3868.206. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.[Sections 3868.207-3868.250 reserved for expansion]SUBCHAPTER E. DISSOLUTIONSec. 3868.251. DISSOLUTION BY TOWN ORDINANCE. (a) The town may dissolve the district by ordinance.(b) The town may not dissolve the district until:(1) the district's outstanding indebtedness or contractual obligations have been repaid or discharged; or(2) the town agrees to succeed to the rights and obligations of the district.(c) The town may not dissolve the district until:(1) each party to the development agreement fulfills the party's obligations under the agreement; and(2) the district fulfills the district's obligation to pay or reimburse a developer or owner for the costs of improvement projects and services undertaken by the district.Sec. 3868.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the town succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.(b) The town shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:(1) the bonds or other obligations when due and payable according to their terms; or(2) special revenue or assessment bonds or other obligations issued by the town to refund the outstanding bonds or obligations of the district.Sec. 3868.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the town dissolves the district, the town assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.(b) If the town dissolves the district, the board shall transfer ownership of all district property to the town. | SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3868 to read as follows:CHAPTER 3868. VALENCIA MUNICIPAL MANAGEMENT DISTRICT NO. 1SUBCHAPTER A. GENERAL PROVISIONSSec. 3868.001. DEFINITIONS. In this chapter:(1) "Board" means the district's board of directors.(2) "County" means Denton County, Texas.(3) "Development agreement" means the "Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 16, 2008, as recorded on January 5, 2009, in the real property records of Denton County, Texas, as Instrument Number 2009-499, as amended by the "First Amendment to the Valencia on the Lake Pre-Annexation Agreement, Development Agreement, Public Improvement District Agreement and Tax Increment Reinvestment Zone Agreement," effective December 1, 2009, as recorded on January 12, 2010, in the real property records of Denton County, Texas, as Instrument Number 2010-2983, between the town and Valencia on the Lake, L.P., a Texas limited partnership, as may be amended.(4) "Director" means a board member.(5) "District" means the Valencia Municipal Management District No. 1.(6) "Town" means the Town of Little Elm, Texas.Sec. 3868.002. 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.Sec. 3868.003. 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 the town and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.(c) This chapter and the creation of the district may not be interpreted to relieve the town or county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the town and county services provided in the district.Sec. 3868.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.(d) The creation of the district is in the public interest and is essential to:(1) further the public purposes of developing and diversifying the economy of the state;(2) eliminate unemployment and underemployment; and(3) develop or expand transportation and commerce.(e) The district will:(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.Sec. 3868.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section 3868.113 or other law.(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:(1) organization, existence, or validity;(2) right to contract;(3) authority to borrow money or issue bonds or other obligations described by Section 3868.201 or to pay the principal and interest of the bonds or other obligations;(4) right to impose or collect an assessment, or collect other revenue; or(5) legality or operation.Sec. 3868.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. (a) All or any part of the area of the district is eligible to be included in:(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;(3) an enterprise zone created under Chapter 2303, Government Code; or(4) an industrial district created under Chapter 42, Local Government Code.(b) If the town creates a tax increment reinvestment zone described by Subsection (a), the town and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and(2) any other district purpose, including the right to pledge the money as security for any bonds issued by the district under Section 3868.201.(c) A tax increment reinvestment zone created by the town in the district is not subject to the limitations provided by Section 311.006, Tax Code.Sec. 3868.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.[Sections 3868.008-3868.050 reserved for expansion]SUBCHAPTER B. BOARD OF DIRECTORSSec. 3868.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of three directors composed of:(1) one director appointed by the governing body of the town who meets the qualifications prescribed by Section 3868.052(a);(2) the town manager; and(3) the finance director of the town.(b) An appointed director serves a term of four years.Sec. 3868.052. QUALIFICATIONS OF APPOINTED DIRECTOR. (a) To be qualified to serve as an appointed director under Section 3868.051(a)(1), a person must:(1) meet the qualifications of Section 375.063, Local Government Code;(2) be a partner of a partnership that owns property in the district;(3) be an officer of a corporation that owns property in the district;(4) be a member or officer of a limited liability company that owns property in the district; or(5) be a member or officer of a limited liability company that is a partner of a partnership that owns property in the district.(b) Section 49.052, Water Code, does not apply to the district.Sec. 3868.053. COMPLETE DISCRETION OF TOWN REGARDING APPOINTMENT OF DIRECTOR. The governing body of the town may refuse to appoint a person who is nominated to be a director and meets the qualifications prescribed by Section 3868.052(a). The governing body has complete discretion in the appointment of a director.Sec. 3868.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3868.052(a).(b) If there are fewer than three directors, the governing body of the town shall appoint the necessary number of directors to fill all board vacancies.Sec. 3868.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.Sec. 3868.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.Sec. 3868.057. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed $150 for each board meeting. The total amount of compensation a director may receive each year may not exceed $6,000. A director who is an employee of the town may not receive compensation under this subsection.(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.Sec. 3868.058. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from commercial insurance companies or other sources that protect and insure the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.Sec. 3868.059. INITIAL DIRECTORS. (a) The initial board consists of the following directors:Pos. No.Name of Director1Ivan Langford, Town Manager2Alan Dickerson, Town Finance Director3Ross Calhoun(b) Of the initial directors, the term of the director appointed for position 3 expires May 31, 2014.(c) This section expires September 1, 2014.[Sections 3868.060-3868.100 reserved for expansion]SUBCHAPTER C. POWERS AND DUTIESSec. 3868.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.Sec. 3868.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.Sec. 3868.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.Sec. 3868.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.Sec. 3868.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.Sec. 3868.106. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.Sec. 3868.107. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.Sec. 3868.108. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.Sec. 3868.109. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.(b) The nonprofit corporation:(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and(2) may implement any project and provide any service authorized by this chapter.(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.Sec. 3868.110. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the district may make an agreement with or accept a gift, grant, or loan from any person.(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code.Sec. 3868.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.Sec. 3868.112. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:(1) make loans and grants of public money; and(2) provide district personnel and services.(c) The district may create economic development programs and exercise the economic development powers that:(1) Chapter 380, Local Government Code, provides to a municipality; and(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.Sec. 3868.113. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:(1) the addition or removal of the territory must be approved by:(A) the governing body of the town; and(B) the owners of the territory being added or removed; and(2) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from assessments levied or assessed on the territory are outstanding.Sec. 3868.114. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.Sec. 3868.115. NO AD VALOREM TAX. The district may not impose an ad valorem tax.Sec. 3868.116. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.[Sections 3868.117-3868.150 reserved for expansion]SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICESSec. 3868.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.Sec. 3868.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:(1) is necessary to accomplish a public purpose of the district; and(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.Sec. 3868.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.Sec. 3868.154. TOWN REQUIREMENTS. (a) An improvement project in the town must comply with any applicable requirements of the town, including codes and ordinances, that are consistent with the development agreement.(b) The district may not provide, conduct, or authorize any improvement project on the town's streets, highways, rights-of-way, or easements without the consent of the governing body of the town.Sec. 3868.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:(1) Chapter 372, Local Government Code; or(2) Chapter 375, Local Government Code.Sec. 3868.156. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.[Sections 3868.157-3868.200 reserved for expansion]SUBCHAPTER D. GENERAL FINANCIAL PROVISIONSSec. 3868.201. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.(b) An obligation described by Subsection (a):(1) may bear interest at a rate determined by the board; and(2) may include a term or condition as determined by the board.Sec. 3868.202. DEVELOPMENT AGREEMENT. Before the district borrows money or issues an obligation under Section 3868.201, the town must provide written notice to the district that no party to the development agreement is in default as of the date the district is authorized to borrow the money or enter the obligation.Sec. 3868.203. ASSESSMENTS. The district may impose an assessment on property in the district to pay for an obligation described by Section 3868.201 in the manner provided for:(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.Sec. 3868.204. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.Sec. 3868.205. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.[Sections 3868.206-3868.250 reserved for expansion]SUBCHAPTER E. DISSOLUTIONSec. 3868.251. DISSOLUTION BY TOWN ORDINANCE. (a) The town may dissolve the district by ordinance.(b) The town may not dissolve the district until:(1) the district's outstanding indebtedness or contractual obligations have been repaid or discharged; or(2) the town agrees to succeed to the rights and obligations of the district.(c) The town may not dissolve the district until:(1) each party to the development agreement fulfills the party's obligations under the agreement; and(2) the district fulfills the district's obligation to pay or reimburse a developer or owner for the costs of improvement projects and services undertaken by the district.Sec. 3868.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the town succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.(b) The town shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:(1) the bonds or other obligations when due and payable according to their terms; or(2) special revenue or assessment bonds or other obligations issued by the town to refund the outstanding bonds or obligations of the district.Sec. 3868.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the town dissolves the district, the town assumes the obligations of the district, including any bonds or other indebtedness payable from assessments or other district revenue.(b) If the town dissolves the district, the board shall transfer ownership of all district property to the town. |  |
| SECTION 2. The Valencia Municipal Management District No. 1 initially includes all territory contained in the following area:Being a 448.005 acre tract of land situated in the S. Guarrara Survey, Abstract No. 456 and the T. Rodriguez Survey, Abstract No. 1068, and the A. Cooper Survey, Abstract No. 250, in Denton County, Texas, and being all of a called 448.136 acre tract of land conveyed to Sassanid Arcady Holdings, L.P., by deed recorded in Document Number 2006-326, Real Property Records, Denton County, Texas. Said 448.005 acre tract, with bearing basis being Grid North, Texas State Plane Coordinates, North Central Zone, NAD83. Being more particularly described by metes and bounds as follows:Beginning at a Corps of Engineers monument stamped "J-818-1/1" (TXNC-4202, N-7125809.07083, E-235639.61099, grid coordinates) found for the northeast corner of aforesaid 448.136 acre tract and being on the west line of a called 34.4606 acre tract of land conveyed to David J. Kirch by deed recorded in Volume 3060, Page 706, Denton County, Texas;Thence South 00 degrees 17 minutes 50 seconds West, along the east line of aforesaid 448.136 acre tract and the common west lines of a aforesaid 34.4606 acre tract and a called 123.243 acre tract of land conveyed to Thomas James George and Robert Joseph George by deed recorded in Volume 853, Page 138, Deed Records, Denton County, Texas, a Distance of 2121.00 feet to a point for corner;Thence South 01 degrees 54 minutes 55 seconds West, continuing along the east line of aforesaid 448.136 acre tract and the common west lines of aforesaid 123.243 acre tract, a distance of 616.18 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-819-9" (disturbed) found for the southwest corner of said 123.243 acre tract;Thence along the common property lines of aforesaid 448.136 acre tract and Garza-Little Elm Reservoir (Lake Lewisville) the following courses and distances:South 05 degrees 05 minutes 39 seconds West, a distance of 973.12 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-819-7B" found for corner;South 05 degrees 47 minutes 18 seconds West, a distance of 188.48 feet to a Corps of Engineers metal fence corner post stamped "JP-5A" found for corner;South 89 degrees 33 minutes 02 seconds West, a distance of 201.77 feet to a Corps of Engineers metal fence corner post stamped "JP-5J" found for corner;South 01 degrees 10 minutes 59 seconds East, a distance of 197.53 feet to a Corps of Engineers metal fence corner post stamped "JP-5K" found for corner;South 59 degrees 49 minutes 02 seconds west, a distance of 157.90 feet to a Corps of Engineers metal fence corner post stamped "JP-5L" found for corner;North 53 degrees 19 minutes 52 seconds West, a distance of 309.93 feet to a Corps of Engineers metal fence corner post stamped "JP-5M" found for corner;South 66 degrees 04 minutes 16 seconds West, a distance of 446.47 feet to a Corps of Engineers metal fence corner post stamped "JP-5C" found for corner;North 89 degrees 51 minutes 07 seconds West, a distance of 730.36 feet to a Corps of Engineers metal fence corner post stamped "JP-5D" found for corner;South 62 degrees 27 minutes 46 seconds West, a distance of 369.89 feet to a Corps of Engineers metal fence corner post stamped "JP-5E" found for corner;North 30 degrees 01 minutes 04 seconds West, a distance of 182.06 feet to a Corps of Engineers metal fence corner post stamped "JP-5F" found for corner;North 77 degrees 59 minutes 54 seconds West, a distance of 203.73 feet to a Corps of Engineers metal fence corner post stamped "JP-5G" found for corner;South 67 degrees 53 minutes 42 seconds West, a distance of 253.97 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-2-3" found for corner;South 85 degrees 20 minutes 33 seconds, West, a distance of 1000.06 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-2-2" found for corner;South 60 degrees 03 minutes 52 seconds West, a distance of 742.15 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-2-1" found for corner;Thence North 88 degrees 47 minutes 14 seconds West, a distance of 900.19 feet to a 1/2" iron rod found for a northwest corner of a tract of land conveyed to Robert Sparks by deed recorded in Volume 820, Page 541, Deed Records, Denton County, Texas;Thence South 25 degrees 56 minutes 04 seconds West, along the west line of aforesaid Robert Sparks Tract, a distance of 400.69 feet to a point for the southwest corner of said Robert Sparks Tract and being the northwest corner of The Shores at Lake Lewisville, an Addition to Denton County, Texas by plat recorded in Cabinet I., Page 386, Plat Records, Denton County, Texas;Thence South 25 degrees 47 minutes 13 seconds West, along the west line of aforesaid The Shores at Lake Lewisville, a distance of 678.25 feet to a point for the southwest corner of the said Shores at Lake Lewisville and being the northwest corner of a called 2.4796 acre tract of land conveyed to Robert Eric Seitz and Wife, Christy L. Seitz by deed recorded in County Clerk's File No. 2001-R0084339, Real Property Records, Denton County, Texas;Thence South 26 degrees 32 minutes 44 seconds West, along the west line of aforesaid 2.4796 acre tract, a distance of 163.19 feet to a 3/4 inch iron rod found for the southwest corner of said 2.4796 acre tract and being the northeast corner of a tract of land conveyed to Clifford E. Burgert and wife, Norma J. Burgert by deed recorded in Volume 603, page 591, Deed Records, Denton County, Texas;Thence North 53 degrees 24 minutes 02 seconds West, along the northeast line of aforesaid Burgert Tract, a distance of 613.52 feet to a point for corner;Thence South 00 degrees 14 minutes 27 seconds West, along the west line of aforesaid Burgert Tract, a distance of 1204.38 feet to a point for the southwest corner of said Burgert Tract;Thence along the common property lines of aforesaid 448.136 acre tract and Garza-Little Elm Reservoir (Lake Lewisville) the following courses and distances:South 88 degrees 47 minutes 31 seconds West, a distance of 852.62 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-723-1A" found for corner;South 01 degrees 35 minutes 41 seconds West, a distance of 224.05 feet to a 1/2" iron rod found for corner;South 41 degrees 04 minutes 06 seconds West, a distance of 1034.72 feet to a 1/2" iron rod found for corner;South 31 degrees 38 minutes 08 seconds East, a distance of 43.78 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-725-6" found for corner;South 67 degrees 00 minutes 25 seconds West, a distance of 339.76 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-725-5" found for corner;North 03 degrees 41 minutes 10 seconds East, a distance of 799.90 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-725-4" found for corner;North 54 degrees 21 minutes 53 seconds West, a distance of 880.37 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-725-3" (TXNC-4202, N-7119284.86086, E-2447700.74262, Grid Coordinates) found for corner;North 43 degrees 52 minutes 25 seconds East, passing at a distance 470.45 feet a Corps of Engineers concrete monument with a brass disc stamped "H-725-2B" found for witness, continuing a total distance of 1470.92 feet to a point for corner;North 00 degrees 16 minutes 40 seconds East, a distance of 841.00 feet to a Corps of Engineers concrete monument with a brass disc stamped "H-725-1" found for corner;South 89 degrees 24 minutes 13 seconds East, a distance of 124.81 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-802-1" found for corner;North 11 degrees 07 minutes 21 seconds East, a distance of 189.76 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-802-1A" found for corner;North 11 degrees 09 minutes 34 seconds East, a distance of 1139.40 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-802-1B" found for corner;North 11 degrees 07 minutes 01 seconds East, a distance of 206.42 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-802-2" found for corner;South 67 degrees 02 minutes 47 seconds East, a distance of 300.01 feet to a 1/2" iron rod found for corner;North 74 degrees 49 minutes 11 seconds East, a distance of 490.87 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-807-1/1" found for corner;South 61 degrees 15 minutes 26 seconds East, a distance of 373.27 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-807-1/2" found for corner;South 26 degrees 49 minutes 05 seconds East, a distance of 699.90 feet to a 1/2: iron rod found for corner;South 81 degrees 28 minutes 29 seconds East, a distance of 666.26 feet to a point for corner;North 66 degrees 13 minute 24 seconds East, a distance of 1797.71 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-1/ 2" found for corner;North 41 degrees 17 minutes 12 seconds East, a distance of 667.01 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-1/3" found for corner;North 31 degrees 23 minutes 34 seconds East, a distance of 700,27 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-809-1/4" found for corner;North 63 degrees 23 minutes 49 seconds East, a distance of 273.07 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-840-1" found for corner;South 89 degrees 29 minutes 46 seconds East, a distance of 229.83 feet to a point for corner;North 38 degrees 34 minutes 35 seconds East, a distance of 1360.52 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-812-1" found for corner;North 80 degrees 39 minutes 19 seconds East, a distance of 243.94 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-812-3" found for corner;North 59 degrees 22 minutes 33 seconds East, a distance of 168.45 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-812-4" found for corner;North 44 degrees 29 minutes 05 seconds East, a distance of 399.34 feet to a 1/2" iron rod found for corner;North 28 degrees 23 minutes 26 seconds East, a distance of 199.91 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-812-6" found for corner;North 49 degrees 33 minutes 37 seconds East, a distance of 500.13 feet to a Corps of Engineers concrete monument with a brass disc stamped "J-812-7" found for corner;North 77 degrees 57 minutes 14 seconds East, a distance of 439.11 feet to the POINT OF BEGINNING, and containing 448.005 acres of land, more or less. | SECTION 2. Same as House version. |  |
| SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.(b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished. | SECTION 3. Same as House version. |  |
| SECTION 4. This Act takes effect September 1, 2011. | SECTION 4. Same as House version. |  |