

SENATE AMENDMENTS

2nd Printing

By: Stephenson

H.B. No. 3954

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of Kendleton Improvement District;
3 providing authority to issue bonds; providing authority to impose
4 assessments, fees, or taxes.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws
7 Code, is amended by adding Chapter 3928 to read as follows:

8 CHAPTER 3928. KENDLETON IMPROVEMENT DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3928.001. DEFINITIONS. In this chapter:

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

12 (2) "City" means the City of Kendleton.

13 (3) "County" means Fort Bend County.

14 (4) "Director" means a board member.

15 (5) "District" means the Kendleton Improvement
16 District.

17 Sec. 3928.002. NATURE OF DISTRICT. The Kendleton
18 Improvement District is a special district created under Section
19 59, Article XVI, Texas Constitution.

20 Sec. 3928.003. PURPOSE; DECLARATION OF INTENT. (a) The
21 creation of the district is essential to accomplish the purposes of
22 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
23 Texas Constitution, and other public purposes stated in this
24 chapter. By creating the district and in authorizing the city, the

1 county, and other political subdivisions to contract with the
2 district, the legislature has established a program to accomplish
3 the public purposes set out in Section 52-a, Article III, Texas
4 Constitution.

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

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

16 Sec. 3928.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
17 The district is created to serve a public use and benefit.

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

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

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

27 (2) eliminating unemployment and underemployment; and

1 (3) developing or expanding transportation and
2 commerce.

3 (d) The district will:

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

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

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

15 (4) provide for water, wastewater, drainage, road,
16 rail, and recreational facilities for the district.

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

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

25 Sec. 3928.005. INITIAL DISTRICT TERRITORY. (a) The
26 district is initially composed of the territory described by
27 Section 2 of the Act enacting this chapter.

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

5 (1) organization, existence, or validity;

6 (2) right to issue any type of bonds for the purposes
7 for which the district is created or to pay the principal of and
8 interest on the bonds;

9 (3) right to impose or collect an assessment or tax; or

10 (4) legality or operation.

11 Sec. 3928.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

12 All or any part of the area of the district is eligible to be
13 included in:

14 (1) a tax increment reinvestment zone created under
15 Chapter 311, Tax Code;

16 (2) a tax abatement reinvestment zone created under
17 Chapter 312, Tax Code;

18 (3) an enterprise zone created under Chapter 2303,
19 Government Code; or

20 (4) an industrial district created under Chapter 42,
21 Local Government Code.

22 Sec. 3928.007. APPLICABILITY OF MUNICIPAL MANAGEMENT
23 DISTRICTS LAW. Except as otherwise provided by this chapter,
24 Chapter 375, Local Government Code, applies to the district.

25 Sec. 3928.008. CONSTRUCTION OF CHAPTER. This chapter shall
26 be liberally construed in conformity with the findings and purposes
27 stated in this chapter.

1 SUBCHAPTER B. BOARD OF DIRECTORS

2 Sec. 3928.051. GOVERNING BODY; TERMS. (a) The district is
3 governed by a board of five voting directors who serve staggered
4 terms of four years, with two or three directors' terms expiring
5 June 1 of each odd-numbered year.

6 (b) The board by resolution may change the number of voting
7 directors on the board if the board determines that the change is in
8 the best interest of the district. The board may not consist of
9 fewer than 5 or more than 15 directors.

10 Sec. 3928.052. APPOINTMENT OF VOTING DIRECTORS. The Texas
11 Commission on Environmental Quality shall appoint voting directors
12 from persons recommended by the board.

13 Sec. 3928.053. NONVOTING DIRECTORS. The board may appoint
14 nonvoting directors to serve at the pleasure of the voting
15 directors.

16 Sec. 3928.054. QUORUM. For purposes of determining the
17 requirements for a quorum of the board, the following are not
18 counted:

19 (1) a board position vacant for any reason, including
20 death, resignation, or disqualification;

21 (2) a director who is abstaining from participation in
22 a vote because of a conflict of interest; or

23 (3) a nonvoting director.

24 Sec. 3928.055. COMPENSATION. A director is entitled to
25 receive fees of office and reimbursement for actual expenses as
26 provided by Section 49.060, Water Code. Sections 375.069 and
27 375.070, Local Government Code, do not apply to the board.

1 Sec. 3928.056. INITIAL VOTING DIRECTORS. (a) The initial
2 board consists of the following directors:

3	<u>Pos. No.</u>	<u>Name of Director</u>
4	<u>1.</u>	<u>Bouche Mickey</u>
5	<u>2.</u>	<u>Abe Soloman</u>
6	<u>3.</u>	<u>Kanzetta Allen</u>
7	<u>4.</u>	<u>Christopher Humphrey</u>
8	<u>5.</u>	<u>Melvin Petitt</u>

9 (b) Of the initial directors, the terms of directors
10 appointed for positions one through three expire June 1, 2015, and
11 the terms of directors appointed for positions four and five expire
12 June 1, 2017.

13 (c) Section 3928.052 does not apply to this section.

14 (d) This section expires September 1, 2017.

15 SUBCHAPTER C. POWERS AND DUTIES

16 Sec. 3928.101. GENERAL POWERS AND DUTIES. The district has
17 the powers and duties necessary to accomplish the purposes for
18 which the district is created.

19 Sec. 3928.102. IMPROVEMENT PROJECTS AND SERVICES. The
20 district may provide, design, construct, acquire, improve,
21 relocate, operate, maintain, or finance an improvement project or
22 service using any money available to the district, or contract with
23 a governmental or private entity to provide, design, construct,
24 acquire, improve, relocate, operate, maintain, or finance an
25 improvement project or service authorized under this chapter or
26 Chapter 375, Local Government Code.

27 Sec. 3928.103. RAIL FACILITIES. The district may

1 construct, acquire, improve, maintain, and operate rail facilities
2 and improvements in aid of those facilities.

3 Sec. 3928.104. DEVELOPMENT CORPORATION POWERS. The
4 district, using money available to the district, may exercise the
5 powers given to a development corporation under Chapter 505, Local
6 Government Code, including the power to own, operate, acquire,
7 construct, lease, improve, or maintain a project under that
8 chapter.

9 Sec. 3928.105. NONPROFIT CORPORATION. (a) The board by
10 resolution may authorize the creation of a nonprofit corporation to
11 assist and act for the district in implementing a project or
12 providing a service authorized by this chapter.

13 (b) The nonprofit corporation:

14 (1) has each power of and is considered to be a local
15 government corporation created under Subchapter D, Chapter 431,
16 Transportation Code; and

17 (2) may implement any project and provide any service
18 authorized by this chapter.

19 (c) The board shall appoint the board of directors of the
20 nonprofit corporation. The board of directors of the nonprofit
21 corporation shall serve in the same manner as the board of directors
22 of a local government corporation created under Subchapter D,
23 Chapter 431, Transportation Code, except that a board member is not
24 required to reside in the district.

25 Sec. 3928.106. AGREEMENTS; GRANTS. (a) As provided by
26 Chapter 375, Local Government Code, the district may make an
27 agreement with or accept a gift, grant, or loan from any person.

1 (b) The implementation of a project is a governmental
2 function or service for the purposes of Chapter 791, Government
3 Code.

4 Sec. 3928.107. LAW ENFORCEMENT SERVICES. To protect the
5 public interest, the district may contract with a qualified party,
6 including the county or the city, to provide law enforcement
7 services in the district for a fee.

8 Sec. 3928.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
9 district may join and pay dues to a charitable or nonprofit
10 organization that performs a service or provides an activity
11 consistent with the furtherance of a district purpose.

12 Sec. 3928.109. ECONOMIC DEVELOPMENT. (a) The district may
13 engage in activities that accomplish the economic development
14 purposes of the district.

15 (b) The district may establish and provide for the
16 administration of one or more programs to promote state or local
17 economic development and to stimulate business and commercial
18 activity in the district, including programs to:

- 19 (1) make loans and grants of public money; and
20 (2) provide district personnel and services.

21 (c) The district may create economic development programs
22 and exercise the economic development powers provided to
23 municipalities by:

- 24 (1) Chapter 380, Local Government Code; and
25 (2) Subchapter A, Chapter 1509, Government Code.

26 Sec. 3928.110. PARKING FACILITIES. (a) The district may
27 acquire, lease as lessor or lessee, construct, develop, own,

1 operate, and maintain parking facilities or a system of parking
2 facilities, including lots, garages, parking terminals, or other
3 structures or accommodations for parking motor vehicles off the
4 streets and related appurtenances.

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

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

12 (d) The development and operation of the district's parking
13 facilities may be considered an economic development program.

14 Sec. 3928.111. STRATEGIC PARTNERSHIP AGREEMENT. The
15 district may negotiate and enter into a written strategic
16 partnership agreement under Section 43.0751, Local Government
17 Code, with a municipality in whose extraterritorial jurisdiction
18 the district is located.

19 Sec. 3928.112. ANNEXATION OR EXCLUSION OF LAND. (a) The
20 district may annex land as provided by Subchapter J, Chapter 49,
21 Water Code.

22 (b) The district may exclude land as provided by Subchapter
23 J, Chapter 49, Water Code. Section 375.044(b), Local Government
24 Code, does not apply to the district.

25 Sec. 3928.113. NO EMINENT DOMAIN POWER. The district may
26 not exercise the power of eminent domain.

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

2 Sec. 3928.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
3 board by resolution shall establish the number of directors'
4 signatures and the procedure required for a disbursement or
5 transfer of district money.

6 Sec. 3928.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
7 The district may acquire, construct, finance, operate, or maintain
8 any improvement or service authorized under this chapter or Chapter
9 375, Local Government Code, using any money available to the
10 district.

11 Sec. 3928.153. PETITION REQUIRED FOR FINANCING SERVICES AND
12 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
13 service or improvement project with assessments under this chapter
14 unless a written petition requesting that service or improvement
15 has been filed with the board.

16 (b) A petition filed under Subsection (a) must be signed by
17 the owners of a majority of the assessed value of real property in
18 the district subject to assessment according to the most recent
19 certified tax appraisal roll for the county.

20 Sec. 3928.154. METHOD OF NOTICE FOR HEARING. The district
21 may mail the notice required by Section 375.115(c), Local
22 Government Code, by certified or first-class United States mail.
23 The board shall determine the method of notice.

24 Sec. 3928.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
25 The board by resolution may impose and collect an assessment for any
26 purpose authorized by this chapter in all or any part of the
27 district.

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

6 (1) are a first and prior lien against the property
7 assessed;

8 (2) are superior to any other lien or claim other than
9 a lien or claim for county, school district, or municipal ad valorem
10 taxes; and

11 (3) are the personal liability of and a charge against
12 the owners of the property even if the owners are not named in the
13 assessment proceedings.

14 (c) The lien is effective from the date of the board's
15 resolution imposing the assessment until the date the assessment is
16 paid. The board may enforce the lien in the same manner that the
17 board may enforce an ad valorem tax lien against real property.

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

22 Sec. 3928.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section
23 375.161, Local Government Code, does not apply to a tax authorized
24 or approved by the voters of the district or a required payment for
25 a service provided by the district, including water and sewer
26 services.

27 Sec. 3928.157. COMPETITIVE BIDDING. Subchapter I, Chapter

1 49, Water Code, applies to the district. Sections 375.221 and
2 375.223, Local Government Code, do not apply to the district.

3 Sec. 3928.158. TAX AND ASSESSMENT ABATEMENTS. The district
4 may designate reinvestment zones and may grant abatements of
5 district taxes or assessments on property in the zones.

6 SUBCHAPTER E. TAXES AND BONDS

7 Sec. 3928.201. ELECTIONS REGARDING TAXES AND BONDS. (a)
8 The district may issue, without an election, bonds, notes, and
9 other obligations secured by:

10 (1) revenue other than ad valorem taxes; or

11 (2) contract payments described by Section 3928.203.

12 (b) The district must hold an election in the manner
13 provided by Subchapter L, Chapter 375, Local Government Code, to
14 obtain voter approval before the district may impose an ad valorem
15 tax or issue bonds payable from ad valorem taxes.

16 (c) Section 375.243, Local Government Code, does not apply
17 to the district.

18 (d) All or any part of any facilities or improvements that
19 may be acquired by a district by the issuance of its bonds may be
20 submitted as a single proposition or as several propositions to be
21 voted on at the election.

22 Sec. 3928.202. OPERATION AND MAINTENANCE TAX. (a) If
23 authorized by a majority of the district voters voting at an
24 election held in accordance with Section 3928.201, the district may
25 impose an operation and maintenance tax on taxable property in the
26 district in accordance with Section 49.107, Water Code, for any
27 district purpose, including to:

- 1 (1) maintain and operate the district;
- 2 (2) construct or acquire improvements; or
- 3 (3) provide a service.

4 (b) The board shall determine the tax rate. The rate may not
5 exceed the rate approved at the election.

6 (c) Section 49.107(h), Water Code, does not apply to the
7 district.

8 Sec. 3928.203. CONTRACT TAXES. (a) In accordance with
9 Section 49.108, Water Code, the district may impose a tax other than
10 an operation and maintenance tax and use the revenue derived from
11 the tax to make payments under a contract after the provisions of
12 the contract have been approved by a majority of the district voters
13 voting at an election held for that purpose.

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

17 Sec. 3928.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
18 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
19 determined by the board. Section 375.205, Local Government Code,
20 does not apply to a loan, line of credit, or other borrowing from a
21 bank or financial institution secured by revenue other than ad
22 valorem taxes.

23 (b) The district may issue bonds, notes, or other
24 obligations payable wholly or partly from ad valorem taxes,
25 assessments, impact fees, revenue, contract payments, grants, or
26 other district money, or any combination of those sources of money,
27 to pay for any authorized district purpose.

1 Sec. 3928.205. TAXES FOR BONDS. At the time the district
2 issues bonds payable wholly or partly from ad valorem taxes, the
3 board shall provide for the annual imposition of a continuing
4 direct annual ad valorem tax, without limit as to rate or amount,
5 for each year that all or part of the bonds are outstanding as
6 required and in the manner provided by Sections 54.601 and 54.602,
7 Water Code.

8 Sec. 3928.206. TAXES AND BONDS FOR RECREATIONAL FACILITIES.
9 The limitation on the outstanding principal amount of bonds, notes,
10 and other obligations provided by Section 49.4645, Water Code, does
11 not apply to the district.

12 SUBCHAPTER F. DEFINED AREAS

13 Sec. 3928.251. AUTHORITY TO ESTABLISH DEFINED AREAS OR
14 DESIGNATED PROPERTY. The district may define areas or designate
15 certain property of the district to pay for improvements,
16 facilities, or services that primarily benefit that area or
17 property and do not generally and directly benefit the district as a
18 whole.

19 Sec. 3928.252. PROCEDURE FOR ELECTION. (a) Before the
20 district may impose an ad valorem tax or issue bonds payable from ad
21 valorem taxes of the defined area or designated property, the board
22 shall hold an election in the defined area or in the designated
23 property only.

24 (b) The board may submit the issues to the voters on the same
25 ballot to be used in another election.

26 Sec. 3928.253. DECLARING RESULT AND ISSUING ORDER. (a) If
27 a majority of the voters voting at the election approve the

1 proposition or propositions, the board shall declare the results
2 and, by order, shall establish the defined area and describe it by
3 metes and bounds or designate the specific property.

4 (b) A court may not review the board's order except on the
5 ground of fraud, palpable error, or arbitrary and confiscatory
6 abuse of discretion.

7 Sec. 3928.254. TAXES FOR SERVICES, IMPROVEMENTS, AND
8 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
9 approval and adoption of the order described by Section 3928.253,
10 the district may apply separately, differently, equitably, and
11 specifically its taxing power and lien authority to the defined
12 area or designated property to provide money to construct,
13 administer, maintain, and operate services, improvements, and
14 facilities that primarily benefit the defined area or designated
15 property.

16 Sec. 3928.255. ISSUANCE OF BONDS FOR DEFINED AREA OR
17 DESIGNATED PROPERTY. After the order under Section 3928.253 is
18 adopted, the district may issue bonds to provide for any land,
19 improvements, facilities, plants, equipment, and appliances for
20 the defined area or designated property.

21 SUBCHAPTER G. DISSOLUTION AND MUNICIPAL ANNEXATION

22 Sec. 3928.301. MUNICIPAL ANNEXATION; DISSOLUTION. (a) The
23 district is a "water or sewer district" under Section 43.071, Local
24 Government Code.

25 (b) Section 43.075, Local Government Code, applies to the
26 district.

27 (c) Section 375.264, Local Government Code, does not apply

1 to the dissolution of the district by a municipality.

2 SECTION 2. The Kendleton Improvement District initially
3 includes all territory contained in the following area:

4 A 274 ACRES TRACT OF LAND, IN THE ISAAC MCGARY LEAGUE, ABSTRACT NO.
5 58, FORT BEND COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE
6 PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

7 BEGINNING at a point at the intersection of the northwesterly
8 right-of-way line of G.H. & S.A. Railroad and the westerly line of
9 West End Tavener Road;

10 (1) THENCE, South 56°08'39" West, along the northerly right-of-way
11 line of said G.H. & S.A. Railroad, a distance of 4169.55 feet to a
12 point in the centerline of Brooks Branch;

13 (2) THENCE, North 04°58'48" West, along the centerline of Brooks
14 Branch, a distance of 76.95 feet to a point;

15 (3) THENCE, North 20°38'09" West, along the centerline of Brooks
16 Branch, a distance of 112.84 feet to a point;

17 (4) THENCE, North 27°38'06" West, along the centerline of Brooks
18 Branch, a distance of 229.19 feet to a point;

19 (5) THENCE, North 59°22'20" West, along the centerline of Brooks
20 Branch, a distance of 97.47 feet to a point;

21 (6) THENCE, North 72°10'20" West, along the centerline of Brooks
22 Branch, a distance of 181.22 feet to a point;

23 (7) THENCE, North 30°00'00" West, along the centerline of Brooks
24 Branch, a distance of 257.39 feet to a point in the south line of a
25 called 41.374 acres tract described to Anthony Humphrey in vol.
26 2371, pg. 1473, F.B.C.C.F.;

27 (8) THENCE, South 57°15'05" West, a distance of 833.50 feet to a

1 point;

2 (9) THENCE, North 23°45'00" West, a distance of 911.49 feet to a
3 point in the south line of a called 42.0 acres tract described to
4 Lisa Davis in 2007122421, F.B.C.C.F.;

5 (10) THENCE, South 60°00'00" West, along the south line of said
6 42.0 acres tract, a distance of 665.77 feet to a point;

7 (11) THENCE, North 30°00'00" West, a distance of 462.00 feet to a
8 point;

9 (12) THENCE, North 60°00'00" East, along the north line of said
10 42.0 acres, a distance of 992.15 feet to a point in the west line of
11 a called 9.74 acres tract described to Admiral, TLC in 2013037496,
12 F.B.C.C.F.;

13 (13) THENCE, North 29°54'53" West, a distance of 748.50 feet to a
14 point marking the northwesterly corner of a called 4.6 acres tract
15 described to Curtis Lucas in 2000102582, F.B.C.C.F.;

16 (14) THENCE, North 60°09'26" East, a distance of 2245.57 feet to a
17 point marking the northeasterly corner of a called 19.47 acres
18 tract described to TD Phan in 2011011742, F.B.C.C.F.;

19 (15) THENCE, South 30°00'00" East, along the easterly line of said
20 19.47 acres tract, a distance of 742.34 feet to a point;

21 (16) THENCE, North 60°00'00" East, a distance of 1211.18 feet to a
22 point;

23 (17) THENCE, North 59°02'24" East, a distance of 1295.34 feet to a
24 point in the west right-of-way line of West End Tavener Road;

25 (18) THENCE, South 31°02'43" East, along the west right-of-way
26 line of West End Tavener Road, a distance of 1194.29 feet to a
27 point;

1 (19) THENCE, South 59°14'00" West, along the west right-of-way
2 line of West End Tavener Road, a distance of 21.92 feet to a point;

3 (20) THENCE, South 24°14'50" East, along the said west line
4 right-of-way line of West End Tavener Road, a distance of 765.58
5 feet to the POINT OF BEGINNING and containing 274 acres of land.

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

13 (b) The governor, one of the required recipients, has
14 submitted the notice and Act to the Texas Commission on
15 Environmental Quality.

16 (c) The Texas Commission on Environmental Quality has filed
17 its recommendations relating to this Act with the governor,
18 lieutenant governor, and speaker of the house of representatives
19 within the required time.

20 (d) The general law relating to consent by political
21 subdivisions to the creation of districts with conservation,
22 reclamation, and road powers and the inclusion of land in those
23 districts has been complied with.

24 (e) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this Act have been
27 fulfilled and accomplished.

1 SECTION 4. This Act takes effect immediately if it receives
2 a vote of two-thirds of all the members elected to each house, as
3 provided by Section 39, Article III, Texas Constitution. If this
4 Act does not receive the vote necessary for immediate effect, this
5 Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

Leta Spaw
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

Joan Huffman

1 Amend H.B. No. 3954 as follows:

2 (1) Add the following appropriately numbered SECTIONS to
3 the bill:

4 SECTION ____ Subtitle F, Title 6, Special District Local
5 Laws Code, is amended by adding Chapter 8446 to read as follows:

6 CHAPTER 8446. FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 184

7 SUBCHAPTER A. GENERAL PROVISIONS

8 Sec. 8446.001. DEFINITIONS. In this chapter:

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

10 (2) "Commission" means the Texas Commission on
11 Environmental Quality.

12 (3) "Director" means a board member.

13 (4) "District" means the Fort Bend County Municipal
14 Utility District No. 184.

15 Sec. 8446.002. NATURE OF DISTRICT. The district is a
16 municipal utility district created under Section 59, Article XVI,
17 Texas Constitution.

18 Sec. 8446.003. CONFIRMATION AND DIRECTORS' ELECTION
19 REQUIRED. The temporary directors shall hold an election to
20 confirm the creation of the district and to elect five permanent
21 directors as provided by Section 49.102, Water Code.

22 Sec. 8446.004. CONSENT OF MUNICIPALITY REQUIRED. The
23 temporary directors may not hold an election under Section 8446.003
24 until each municipality in whose corporate limits or
25 extraterritorial jurisdiction the district is located has
26 consented by ordinance or resolution to the creation of the
27 district and to the inclusion of land in the district.

28 Sec. 8446.005. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.
29 (a) The district is created to serve a public purpose and benefit.

1 (b) The district is created to accomplish the purposes of:

2 (1) a municipal utility district as provided by
3 general law and Section 59, Article XVI, Texas Constitution; and

4 (2) Section 52, Article III, Texas Constitution, that
5 relate to the construction, acquisition, improvement, operation,
6 or maintenance of macadamized, graveled, or paved roads, or
7 improvements, including storm drainage, in aid of those roads.

8 Sec. 8446.006. INITIAL DISTRICT TERRITORY. (a) The
9 district is initially composed of the territory described by
10 Section ___ of the Act enacting this chapter.

11 (b) The boundaries and field notes contained in Section ___
12 of the Act enacting this chapter form a closure. A mistake made in
13 the field notes or in copying the field notes in the legislative
14 process does not affect the district's:

15 (1) organization, existence, or validity;

16 (2) right to issue any type of bond for the purposes
17 for which the district is created or to pay the principal of and
18 interest on a bond;

19 (3) right to impose a tax; or

20 (4) legality or operation.

21 SUBCHAPTER B. BOARD OF DIRECTORS

22 Sec. 8446.051. GOVERNING BODY; TERMS. (a) The district is
23 governed by a board of five elected directors.

24 (b) Except as provided by Section 8446.052, directors serve
25 staggered four-year terms.

26 Sec. 8446.052. TEMPORARY DIRECTORS. (a) On or after the
27 effective date of the Act enacting this chapter, the owner or owners
28 of a majority of the assessed value of the real property in the
29 district may submit a petition to the commission requesting that
30 the commission appoint as temporary directors the five persons
31 named in the petition. The commission shall appoint as temporary

1 directors the five persons named in the petition.

2 (b) Temporary directors serve until the earlier of:

3 (1) the date permanent directors are elected under
4 Section 8446.003; or

5 (2) the fourth anniversary of the effective date of
6 the Act enacting this chapter.

7 (c) If permanent directors have not been elected under
8 Section 8446.003 and the terms of the temporary directors have
9 expired, successor temporary directors shall be appointed or
10 reappointed as provided by Subsection (d) to serve terms that
11 expire on the earlier of:

12 (1) the date permanent directors are elected under
13 Section 8446.003; or

14 (2) the fourth anniversary of the date of the
15 appointment or reappointment.

16 (d) If Subsection (c) applies, the owner or owners of a
17 majority of the assessed value of the real property in the district
18 may submit a petition to the commission requesting that the
19 commission appoint as successor temporary directors the five
20 persons named in the petition. The commission shall appoint as
21 successor temporary directors the five persons named in the
22 petition.

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 8446.101. GENERAL POWERS AND DUTIES. The district has
25 the powers and duties necessary to accomplish the purposes for
26 which the district is created.

27 Sec. 8446.102. MUNICIPAL UTILITY DISTRICT POWERS AND
28 DUTIES. The district has the powers and duties provided by the
29 general law of this state, including Chapters 49 and 54, Water Code,
30 applicable to municipal utility districts created under Section 59,
31 Article XVI, Texas Constitution.

1 Sec. 8446.103. AUTHORITY FOR ROAD PROJECTS. Under Section
2 52, Article III, Texas Constitution, the district may design,
3 acquire, construct, finance, issue bonds for, improve, operate,
4 maintain, and convey to this state, a county, or a municipality for
5 operation and maintenance macadamized, graveled, or paved roads, or
6 improvements, including storm drainage, in aid of those roads.

7 Sec. 8446.104. ROAD STANDARDS AND REQUIREMENTS. (a) A
8 road project must meet all applicable construction standards,
9 zoning and subdivision requirements, and regulations of each
10 municipality in whose corporate limits or extraterritorial
11 jurisdiction the road project is located.

12 (b) If a road project is not located in the corporate limits
13 or extraterritorial jurisdiction of a municipality, the road
14 project must meet all applicable construction standards, zoning and
15 subdivision requirements, and regulations of each county in which
16 the road project is located.

17 (c) If the state will maintain and operate the road, the
18 Texas Transportation Commission must approve the plans and
19 specifications of the road project.

20 Sec. 8446.105. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE
21 OR RESOLUTION. The district shall comply with all applicable
22 requirements of any ordinance or resolution that is adopted under
23 Section 54.016 or 54.0165, Water Code, and that consents to the
24 creation of the district or to the inclusion of land in the
25 district.

26 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

27 Sec. 8446.151. ELECTIONS REGARDING TAXES OR BONDS.

28 (a) The district may issue, without an election, bonds and other
29 obligations secured by:

30 (1) revenue other than ad valorem taxes; or

31 (2) contract payments described by Section 8446.153.

1 (b) The district must hold an election in the manner
2 provided by Chapters 49 and 54, Water Code, to obtain voter approval
3 before the district may impose an ad valorem tax or issue bonds
4 payable from ad valorem taxes.

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

9 Sec. 8446.152. OPERATION AND MAINTENANCE TAX. (a) If
10 authorized at an election held under Section 8446.151, the district
11 may impose an operation and maintenance tax on taxable property in
12 the district in accordance with Section 49.107, Water Code.

13 (b) The board shall determine the tax rate. The rate may not
14 exceed the rate approved at the election.

15 Sec. 8446.153. CONTRACT TAXES. (a) In accordance with
16 Section 49.108, Water Code, the district may impose a tax other than
17 an operation and maintenance tax and use the revenue derived from
18 the tax to make payments under a contract after the provisions of
19 the contract have been approved by a majority of the district voters
20 voting at an election held for that purpose.

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

24 SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

25 Sec. 8446.201. AUTHORITY TO ISSUE BONDS AND OTHER
26 OBLIGATIONS. The district may issue bonds or other obligations
27 payable wholly or partly from ad valorem taxes, impact fees,
28 revenue, contract payments, grants, or other district money, or any
29 combination of those sources, to pay for any authorized district
30 purpose.

31 Sec. 8446.202. TAXES FOR BONDS. At the time the district

1 issues bonds payable wholly or partly from ad valorem taxes, the
2 board shall provide for the annual imposition of a continuing
3 direct ad valorem tax, without limit as to rate or amount, while all
4 or part of the bonds are outstanding as required and in the manner
5 provided by Sections 54.601 and 54.602, Water Code.

6 Sec. 8446.203. BONDS FOR ROAD PROJECTS. At the time of
7 issuance, the total principal amount of bonds or other obligations
8 issued or incurred to finance road projects and payable from ad
9 valorem taxes may not exceed one-fourth of the assessed value of the
10 real property in the district.

11 SECTION ____ . The Fort Bend County Municipal Utility
12 District No. 184 initially includes all the territory contained in
13 the following area:

14 506.74 acres of land situated in the Wiley Martin Survey,
15 Abstract 56, and the E.P. Everett Survey, Abstract 387, Fort Bend
16 County, Texas, being that certain called 376.1612 acre tract of
17 land as described in deed and recorded in Volume 1934, Page 712 of
18 the Deed Records of Fort Bend County, Texas and being that certain
19 called 130.5756 acre tract of land as described in deed and recorded
20 in the Official Public Records of Real Property of Fort Bend County,
21 Texas under County Clerk's File Number 1999107785, said 506.74
22 acres of land being more particularly described by metes and bounds
23 as follows, bearing orientation is based on the Texas Coordinate
24 System of 1983, South Central Zone:

25 BEGINNING at a 1/2 inch iron rod found at the intersection of
26 the centerline of Myers Road (based on a width of 60.00 feet) with
27 the northwesterly right-of-way line of Berdette Road (based on a
28 width of 60.00 feet);

29 Thence, S 21°34'18" W, with the northwesterly right-of-way
30 line of Berdette Road, a distance of 3266.25 feet to a 3/4 inch iron
31 rod with cap set in the northeasterly line of that certain called

1 607.75 acre tract of land as described in deed and recorded in
2 Volume 64, Page 109 of the Deed Records of Fort Bend County, Texas,
3 being in the northeasterly line of the Henry Wilcox Survey,
4 Abstract 342;

5 Thence, N 67°27'46" W, with the northeasterly line of said
6 called 607.75 acre tract and the common line of the Wiley Martin and
7 Henry Wilcox Surveys, a distance of 5698.02 feet to an angle point,
8 from which a found T Rail bears N 08°28' W, a distance of 0.35 feet;

9 Thence, N 67°36'40" W, a distance of 547.46 feet to a 3/4 inch
10 iron rod with cap set for corner;

11 Thence, S 42°08'14" W, a distance of 2046.63 feet to a 3/4 inch
12 iron rod with cap set in the northeasterly line of Rice Field Road;

13 Thence, N 47°59'25" W, with the northeasterly line of Rice
14 Field Road, a distance of 344.35 feet to a T Rail found for corner;

15 Thence, N 42°05'03" E, a distance of 1924.14 feet to an angle
16 point, from which a found 2 inch iron pipe (bent) bears N 79°02' W, a
17 distance of 2.69 feet;

18 Thence, N 22°20'28" E, at a distance of 3195.31 feet pass a 1/2
19 inch iron pipe found in the southwesterly right-of-way line of
20 Myers Road, continuing a total distance of 3225.31 feet to a point
21 for corner;

22 Thence, S 67°49'42" E, with the centerline of Myers Road, a
23 distance of 6569.03 feet to the POINT OF BEGINNING and containing
24 506.74 acres of land.

25 SECTION _____. (a) The legal notice of the intention to
26 introduce this Act, setting forth the general substance of this
27 Act, has been published as provided by law, and the notice and a
28 copy of this Act have been furnished to all persons, agencies,
29 officials, or entities to which they are required to be furnished
30 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
31 Government Code.

1 (b) The governor, one of the required recipients, has
2 submitted the notice and Act to the Texas Commission on
3 Environmental Quality.

4 (c) The Texas Commission on Environmental Quality has filed
5 its recommendations relating to this Act with the governor, the
6 lieutenant governor, and the speaker of the house of
7 representatives within the required time.

8 (d) All requirements of the constitution and laws of this
9 state and the rules and procedures of the legislature with respect
10 to the notice, introduction, and passage of this Act are fulfilled
11 and accomplished.

12 SECTION _____. (a) If this Act does not receive a two-thirds
13 vote of all the members elected to each house, Subchapter C, Chapter
14 8446, Special District Local Laws Code, as added by this Act, is
15 amended by adding Section 8446.106 to read as follows:

16 Sec. 8446.106. NO EMINENT DOMAIN POWER. The district may
17 not exercise the power of eminent domain.

18 (b) This section is not intended to be an expression of a
19 legislative interpretation of the requirements of Subsection (c),
20 Section 17, Article I, Texas Constitution.

21 (2) Renumber the SECTIONS of the bill appropriately.

22 (3) Correct cross-references in the bill accordingly.

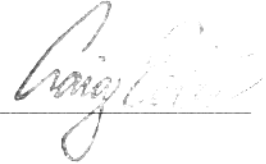
ADOPTED

MAY 22 2013

FLOOR AMENDMENT NO. _____


Stacy Spaul
Secretary of the Senate

BY: _____



1 Amend H.B. 3954 (senate committee printing) as follows:

2 (1) Add the following appropriately numbered SECTIONS to
3 the bill and renumber the subsequent SECTIONS accordingly:

4 SECTION ____ Chapter 7209, Special District Local Laws
5 Code, is amended by adding Subchapter C to read as follows:

6 SUBCHAPTER C. BONDS

7 Sec. 7209.101. AUTHORITY TO ISSUE BONDS. (a) The
8 district has the rights, powers, duties, and obligations of an
9 issuer under Chapter 1371, Government Code.

10 (b) Sections 49.181 and 49.182, Water Code, do not apply
11 to the district.

12 SECTION ____ (a) The legal notice of the intention to
13 introduce this Act, setting forth the general substance of this
14 Act, has been published as provided by law, and the notice and a
15 copy of this Act have been furnished to all persons, agencies,
16 officials, or entities to which they are required to be
17 furnished under Section 59, Article XVI, Texas Constitution, and
18 Chapter 313, Government Code.

19 (b) The governor, one of the required recipients, has
20 submitted the notice and Act to the Texas Commission on
21 Environmental Quality.

22 (c) The Texas Commission on Environmental Quality has
23 filed its recommendations relating to this Act with the
24 governor, the lieutenant governor, and the speaker of the house
25 of representatives within the required time.

26 (d) All requirements of the constitution and laws of this
27 state and the rules and procedures of the legislature with
28 respect to the notice, introduction, and passage of this Act are
29 fulfilled and accomplished.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3954 by Stephenson (Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Passed 2nd House**

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KKR, TP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 20, 2013

TO: Honorable Kevin Eltife, Chair, Senate Committee on Administration

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3954 by Stephenson (Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KKR, TP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 10, 2013

TO: Honorable Dennis Bonnen, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB3954 by Stephenson (Relating to the creation of Kendleton Improvement District; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: UP, KKR, TP