

1-1 By: Bell (Senate Sponsor - Kolkhorst) H.B. No. 4158
 1-2 (In the Senate - Received from the House May 20, 2015;
 1-3 May 21, 2015, read first time and referred to Committee on
 1-4 Administration; May 24, 2015, reported favorably by the following
 1-5 vote: Yeas 4, Nays 0; May 24, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Uresti	X			
1-9 Campbell			X	
1-10 Eltife			X	
1-11 Huffines	X			
1-12 Schwertner	X			
1-13 West			X	

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to the creation of the East Waller County Management
 1-18 District; providing authority to issue bonds; providing authority
 1-19 to impose assessments, fees, or taxes.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-22 Code, is amended by adding Chapter 3937 to read as follows:

1-23 CHAPTER 3937. EAST WALLER COUNTY MANAGEMENT DISTRICT
 1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 3937.001. DEFINITIONS. In this chapter:

- 1-26 (1) "Board" means the district's board of directors.
- 1-27 (2) "County" means Waller County.
- 1-28 (3) "Director" means a board member.
- 1-29 (4) "District" means the East Waller County Management
 1-30 District.

1-31 Sec. 3937.002. CREATION AND NATURE OF DISTRICT. The
 1-32 district is a special district created under Section 59, Article
 1-33 XVI, Texas Constitution.

1-34 Sec. 3937.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
 1-35 creation of the district is essential to accomplish the purposes of
 1-36 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-37 Texas Constitution, and other public purposes stated in this
 1-38 chapter. By creating the district and in authorizing political
 1-39 subdivisions to contract with the district, the legislature has
 1-40 established a program to accomplish the public purposes set out in
 1-41 Section 52-a, Article III, Texas Constitution.

1-42 (b) The creation of the district is necessary to promote,
 1-43 develop, encourage, and maintain employment, commerce,
 1-44 transportation, housing, tourism, recreation, the arts,
 1-45 entertainment, economic development, safety, and the public
 1-46 welfare in the district.

1-47 (c) The district is created to supplement and not to
 1-48 supplant county services provided in the district.

1-49 Sec. 3937.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
 1-50 The district is created to serve a public use and benefit.

1-51 (b) All land and other property included in the district
 1-52 will benefit from the improvements and services to be provided by
 1-53 the district under powers conferred by Sections 52 and 52-a,
 1-54 Article III, and Section 59, Article XVI, Texas Constitution, and
 1-55 other powers granted under this chapter.

1-56 (c) The creation of the district is in the public interest
 1-57 and is essential to further the public purposes of:

- 1-58 (1) developing and diversifying the economy of the
 1-59 state;
- 1-60 (2) eliminating unemployment and underemployment;
- 1-61 (3) developing or expanding transportation and

2-1 commerce; and
2-2 (4) providing quality residential housing.
2-3 (d) The district will:
2-4 (1) promote the health, safety, and general welfare of
2-5 residents, employers, potential employees, employees, visitors,
2-6 and consumers in the district, and of the public;
2-7 (2) provide needed funding for the district to
2-8 preserve, maintain, and enhance the economic health and vitality of
2-9 the district territory as a residential community and business
2-10 center; and
2-11 (3) promote the health, safety, welfare, and enjoyment
2-12 of the public by providing pedestrian ways and by landscaping,
2-13 removing graffiti from, and developing certain areas in the
2-14 district, which are necessary for the restoration, preservation,
2-15 and enhancement of scenic beauty.
2-16 (e) Pedestrian ways along or across a street, whether at
2-17 grade or above or below the surface, and street lighting, street
2-18 landscaping, vehicle parking, and street art objects are parts of
2-19 and necessary components of a street and are considered to be an
2-20 improvement project that includes a street or road improvement.
2-21 (f) The district will not act as the agent or
2-22 instrumentality of any private interest even though the district
2-23 will benefit many private interests as well as the public.
2-24 Sec. 3937.005. DISTRICT TERRITORY. (a) The district is
2-25 initially composed of the territory described by Section 2 of the
2-26 Act enacting this chapter.
2-27 (b) The boundaries and field notes contained in Section 2 of
2-28 the Act enacting this chapter form a closure. A mistake in the
2-29 field notes or in copying the field notes in the legislative process
2-30 does not affect the district's:
2-31 (1) organization, existence, or validity;
2-32 (2) right to issue any type of bond for the purposes
2-33 for which the district is created or to pay the principal of and
2-34 interest on a bond;
2-35 (3) right to impose or collect an assessment or tax; or
2-36 (4) legality or operation.
2-37 Sec. 3937.006. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-38 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-39 Chapter 375, Local Government Code, applies to the district.
2-40 Sec. 3937.007. CONSTRUCTION OF CHAPTER. This chapter shall
2-41 be liberally construed in conformity with the findings and purposes
2-42 stated in this chapter.
2-43 SUBCHAPTER B. BOARD OF DIRECTORS
2-44 Sec. 3937.051. GOVERNING BODY; TERMS. The district is
2-45 governed by a board of five voting directors who serve staggered
2-46 terms of four years with two or three directors' terms expiring June
2-47 1 of each odd-numbered year.
2-48 Sec. 3937.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY
2-49 COUNTY. To be qualified to serve as a director appointed by the
2-50 governing body of the county, a person must be:
2-51 (1) a resident of the district who is also a registered
2-52 voter of the district;
2-53 (2) an owner of property in the district;
2-54 (3) an owner of stock or a partnership or membership
2-55 interest, whether beneficial or otherwise, of a corporate
2-56 partnership, limited liability company, or other entity owner of a
2-57 direct or indirect interest in property in the district;
2-58 (4) an owner of a beneficial interest in a trust, or a
2-59 trustee in a trust, that directly or indirectly owns property in the
2-60 district;
2-61 (5) an agent, employee, or tenant of a person
2-62 described by Subdivision (2), (3), or (4);
2-63 (6) a resident of Waller County; or
2-64 (7) an initial director.
2-65 Sec. 3937.053. APPOINTMENT OF DIRECTORS. The governing
2-66 body of the county shall appoint directors from persons recommended
2-67 by the board.
2-68 Sec. 3937.054. VACANCY. If a vacancy occurs on the board,
2-69 the remaining directors shall appoint a director for the remainder

3-1 of the unexpired term.
 3-2 Sec. 3937.055. DIRECTOR'S OATH OR AFFIRMATION. (a) A
 3-3 director shall file the director's oath or affirmation of office
 3-4 with the district, and the district shall retain the oath or
 3-5 affirmation in the district records.

3-6 (b) A director shall file a copy of the director's oath or
 3-7 affirmation with the clerk of the county.

3-8 Sec. 3937.056. QUORUM. A vacant director position is not
 3-9 counted for purposes of establishing a quorum.

3-10 Sec. 3937.057. OFFICERS. The board shall elect from among
 3-11 the directors a chair, a vice chair, and a secretary. The offices
 3-12 of chair and secretary may not be held by the same person.

3-13 Sec. 3937.058. COMPENSATION; EXPENSES. (a) The district
 3-14 may compensate each director in an amount not to exceed \$50 for each
 3-15 board meeting. The total amount of compensation a director may
 3-16 receive each year may not exceed \$2,000.

3-17 (b) A director is entitled to reimbursement for necessary
 3-18 and reasonable expenses incurred in carrying out the duties and
 3-19 responsibilities of the board.

3-20 Sec. 3937.059. LIABILITY INSURANCE. The district may obtain
 3-21 and pay for comprehensive general liability insurance coverage from
 3-22 a commercial insurance company or other source that protects and
 3-23 insures a director against personal liability and from all claims
 3-24 relating to:

- 3-25 (1) actions taken by the director in the director's
- 3-26 capacity as a member of the board;
- 3-27 (2) actions and activities taken by the district; or
- 3-28 (3) the actions of others acting on behalf of the
- 3-29 district.

3-30 Sec. 3937.060. NO EXECUTIVE COMMITTEE. The board may not
 3-31 create an executive committee to exercise the powers of the board.

3-32 Sec. 3937.061. BOARD MEETINGS. The board shall hold
 3-33 meetings at a place accessible to the public.

3-34 Sec. 3937.062. INITIAL DIRECTORS. (a) The initial board
 3-35 consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Kelly Moore</u>
<u>2</u>	<u>Frank Heuszal</u>
<u>3</u>	<u>Jeff Gobles</u>
<u>4</u>	<u>Elli Hinson</u>
<u>5</u>	<u>Bob Malquest</u>

3-42 (b) The terms of the initial directors expire June 1, 2017.

3-43 (c) Of the directors who replace an initial director, the
 3-44 terms of directors serving in positions 1 through 3 expire June 1,
 3-45 2019, and the terms of directors serving in positions 4 and 5 expire
 3-46 June 1, 2021.

3-47 (d) Section 3937.052 does not apply to initial directors
 3-48 under this section.

3-49 (e) This section expires September 1, 2021.

3-50 SUBCHAPTER C. POWERS AND DUTIES

3-51 Sec. 3937.101. GENERAL POWERS AND DUTIES. The district has
 3-52 the powers and duties necessary to accomplish the purposes for
 3-53 which the district is created.

3-54 Sec. 3937.102. IMPROVEMENT PROJECTS AND SERVICES. The
 3-55 district may provide, design, construct, acquire, improve,
 3-56 relocate, operate, maintain, or finance an improvement project or
 3-57 service using money available to the district, or contract with a
 3-58 governmental or private entity to provide, design, construct,
 3-59 acquire, improve, relocate, operate, maintain, or finance an
 3-60 improvement project or service authorized under this chapter or
 3-61 Chapter 375, Local Government Code.

3-62 Sec. 3937.103. LOCATION OF IMPROVEMENT PROJECT. An
 3-63 improvement project described by Section 3937.102 may be located:

- 3-64 (1) in the district; or
- 3-65 (2) in an area outside but adjacent to the district if
- 3-66 the project is for the purpose of extending a public infrastructure
- 3-67 improvement beyond the district's boundaries to a logical terminus.

3-68 Sec. 3937.104. DEVELOPMENT CORPORATION POWERS. The
 3-69 district, using money available to the district, may exercise the

4-1 powers given to a development corporation under Chapter 505, Local
 4-2 Government Code, including the power to own, operate, acquire,
 4-3 construct, lease, improve, or maintain a project under that
 4-4 chapter.

4-5 Sec. 3937.105. NONPROFIT CORPORATION. (a) The board by
 4-6 resolution may authorize the creation of a nonprofit corporation to
 4-7 assist and act for the district in implementing a project or
 4-8 providing a service authorized by this chapter.

4-9 (b) The nonprofit corporation:

4-10 (1) has each power of and is considered to be a local
 4-11 government corporation created under Subchapter D, Chapter 431,
 4-12 Transportation Code; and

4-13 (2) may implement any project and provide any service
 4-14 authorized by this chapter.

4-15 (c) The board shall appoint the board of directors of the
 4-16 nonprofit corporation. The board of directors of the nonprofit
 4-17 corporation shall serve in the same manner as the board of directors
 4-18 of a local government corporation created under Subchapter D,
 4-19 Chapter 431, Transportation Code, except that a board member is not
 4-20 required to reside in the district.

4-21 Sec. 3937.106. AGREEMENTS; GRANTS. (a) As provided by
 4-22 Chapter 375, Local Government Code, the district may make an
 4-23 agreement with or accept a gift, grant, or loan from any person.

4-24 (b) The implementation of a project is a governmental
 4-25 function or service for the purposes of Chapter 791, Government
 4-26 Code.

4-27 Sec. 3937.107. LAW ENFORCEMENT SERVICES. To protect the
 4-28 public interest, the district may contract with a qualified party,
 4-29 including the county, to provide law enforcement services in the
 4-30 district for a fee.

4-31 Sec. 3937.108. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 4-32 district may join and pay dues to a charitable or nonprofit
 4-33 organization that performs a service or provides an activity
 4-34 consistent with the furtherance of a district purpose.

4-35 Sec. 3937.109. ECONOMIC DEVELOPMENT. (a) The district may
 4-36 engage in activities that accomplish the economic development
 4-37 purposes of the district.

4-38 (b) The district may establish and provide for the
 4-39 administration of one or more programs to promote state or local
 4-40 economic development and to stimulate business and commercial
 4-41 activity in the district, including programs to:

4-42 (1) make loans and grants of public money; and

4-43 (2) provide district personnel and services.

4-44 (c) The district may create economic development programs
 4-45 and exercise the economic development powers that:

4-46 (1) Chapter 380, Local Government Code, provides to a
 4-47 municipality; and

4-48 (2) Subchapter A, Chapter 1509, Government Code,
 4-49 provides to a municipality.

4-50 Sec. 3937.110. REAL PROPERTY RESTRICTIONS. (a) The
 4-51 district may adopt restrictions on the use of real property in the
 4-52 district.

4-53 (b) The district may enforce restrictions on the use of real
 4-54 property in the district in the manner provided for a municipal
 4-55 utility district by Section 54.237, Water Code.

4-56 Sec. 3937.111. DESIGNATION OF SPECIAL ZONES. (a) The
 4-57 district may designate all or any part of the area of the district,
 4-58 as if the district were a municipality, as:

4-59 (1) a tax increment reinvestment zone under Chapter
 4-60 311, Tax Code;

4-61 (2) a tax abatement reinvestment zone under Chapter
 4-62 312, Tax Code; or

4-63 (3) an industrial district under Chapter 42, Local
 4-64 Government Code.

4-65 (b) Section 311.006(b), Tax Code, does not apply to a tax
 4-66 increment reinvestment zone created by the district.

4-67 (c) The district may submit to the Texas Economic
 4-68 Development Bank a request for designation of a project or activity
 4-69 in the district as an enterprise project in the manner provided for

5-1 a municipality to submit a request under Chapter 2303, Government
5-2 Code.

5-3 (d) If the county creates a tax increment reinvestment zone
5-4 under Chapter 311, Tax Code, the county, by contract with the
5-5 district, may grant money deposited in the tax increment fund to the
5-6 district to be used by the district for the purposes permitted for
5-7 money granted to a corporation under Section 380.002(b), Local
5-8 Government Code, including the right to pledge the money as
5-9 security for any bonds issued by the district for an improvement
5-10 project.

5-11 Sec. 3937.112. CONCURRENCE ON ADDITIONAL POWERS. If the
5-12 territory of the district is located in the corporate boundaries or
5-13 the extraterritorial jurisdiction of a municipality, the district
5-14 may not exercise a power granted to the district after the date the
5-15 district was created unless the governing body of the municipality
5-16 by resolution consents to the district's exercise of the power.

5-17 Sec. 3937.113. NO EMINENT DOMAIN POWER. The district may
5-18 not exercise the power of eminent domain.

5-19 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

5-20 Sec. 3937.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
5-21 board by resolution shall establish the number of signatures and
5-22 the procedure required for a disbursement or transfer of the
5-23 district's money.

5-24 Sec. 3937.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
5-25 The district may acquire, construct, finance, operate, or maintain
5-26 an improvement project or service authorized under this chapter or
5-27 Chapter 375, Local Government Code, using any money available to
5-28 the district.

5-29 Sec. 3937.153. GENERAL POWERS REGARDING PAYMENT OF DISTRICT
5-30 BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or
5-31 secure the payment or repayment of any bond, note, or other
5-32 temporary or permanent obligation or reimbursement or other
5-33 contract with any person and the costs and expenses of the
5-34 establishment, administration, and operation of the district and
5-35 the district's costs or share of the costs or revenue of an
5-36 improvement project or district contractual obligation or
5-37 indebtedness by:

5-38 (1) the imposition of an ad valorem tax or sales and
5-39 use tax or an assessment, user fee, concession fee, or rental
5-40 charge; or

5-41 (2) any other revenue or resources of the district,
5-42 including revenues from a tax increment reinvestment zone.

5-43 Sec. 3937.154. PETITION REQUIRED FOR FINANCING SERVICES AND
5-44 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
5-45 service or improvement project with assessments under this chapter
5-46 unless a written petition requesting that service or improvement
5-47 has been filed with the board.

5-48 (b) The petition must be signed by the owners of a majority
5-49 of the assessed value of real property in the district subject to
5-50 assessment according to the most recent certified tax appraisal
5-51 roll for the county.

5-52 Sec. 3937.155. METHOD OF NOTICE FOR HEARING. The district
5-53 may mail the notice required by Section 375.115(c), Local
5-54 Government Code, by certified or first class United States mail.

5-55 Sec. 3937.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
5-56 The board by resolution may impose and collect an assessment for any
5-57 purpose authorized by this chapter in all or any part of the
5-58 district.

5-59 (b) An assessment, a reassessment, or an assessment
5-60 resulting from an addition to or correction of the assessment roll
5-61 by the district, penalties and interest on an assessment or
5-62 reassessment, an expense of collection, and reasonable attorney's
5-63 fees incurred by the district:

5-64 (1) are a first and prior lien against the property
5-65 assessed;

5-66 (2) are superior to any other lien or claim other than
5-67 a lien or claim for county, school district, or municipal ad valorem
5-68 taxes; and

5-69 (3) are the personal liability of and a charge against

6-1 the owners of the property even if the owners are not named in the
 6-2 assessment proceedings.

6-3 (c) The lien is effective from the date of the board's
 6-4 resolution imposing the assessment until the date the assessment is
 6-5 paid. The board may enforce the lien in the same manner that the
 6-6 board may enforce an ad valorem tax lien against real property.

6-7 (d) The board may make a correction to or deletion from the
 6-8 assessment roll that does not increase the amount of assessment of
 6-9 any parcel of land without providing notice and holding a hearing in
 6-10 the manner required for additional assessments.

6-11 Sec. 3937.157. STORM WATER USER CHARGES. The district may
 6-12 establish user charges related to the operation of storm water
 6-13 facilities, including the regulation of storm water for the
 6-14 protection of water quality in the district.

6-15 Sec. 3937.158. NONPOTABLE WATER USER CHARGES. The district
 6-16 may establish user charges for the use of nonpotable water for
 6-17 irrigation purposes, subject to approval of the governing body of
 6-18 the county.

6-19 Sec. 3937.159. COSTS FOR IMPROVEMENT PROJECTS. The
 6-20 district may undertake separately or jointly with other persons,
 6-21 including the county, all or part of the cost of an improvement
 6-22 project, including an improvement project:

6-23 (1) for improving, enhancing, and supporting public
 6-24 safety and security, fire protection and emergency medical
 6-25 services, and law enforcement in or adjacent to the district; or

6-26 (2) that confers a general benefit on the entire
 6-27 district or a special benefit on a definable part of the district.

6-28 Sec. 3937.160. TAX AND ASSESSMENT ABATEMENTS. The district
 6-29 may designate reinvestment zones and may grant abatements of a tax
 6-30 or assessment on property in the zones.

6-31 SUBCHAPTER E. TAXES AND BONDS

6-32 Sec. 3937.201. TAX ABATEMENT. The district may enter into a
 6-33 tax abatement agreement in accordance with the general laws of this
 6-34 state authorizing and applicable to a tax abatement agreement by a
 6-35 municipality.

6-36 Sec. 3937.202. PROPERTY TAX AUTHORIZED. (a) The district
 6-37 may impose an ad valorem tax on all taxable property in the district
 6-38 to:

6-39 (1) pay for an improvement project of the types
 6-40 authorized by Section 52(b), Article III, and Section 59, Article
 6-41 XVI, Texas Constitution; or

6-42 (2) secure the payment of bonds issued for a purpose
 6-43 described by Subdivision (1).

6-44 (b) The district may not impose an ad valorem tax to pay for
 6-45 an improvement project under this chapter unless the imposition is
 6-46 approved by the voters of the district voting at an election held
 6-47 for that purpose. The board may call an election to approve the
 6-48 imposition of an ad valorem tax to pay for an improvement project
 6-49 under this chapter only if the board receives a petition requesting
 6-50 the election signed by:

6-51 (1) more than 51 percent of the record owners of real
 6-52 property in the district subject to taxation; or

6-53 (2) owners representing more than 51 percent of the
 6-54 appraised value of real property in the district subject to
 6-55 taxation, as determined by the tax rolls of the appraisal district.

6-56 Sec. 3937.203. SALES AND USE TAX. (a) The district may
 6-57 impose a sales and use tax if authorized by a majority of the voters
 6-58 of the district voting at an election called for that purpose.
 6-59 Revenue from the tax may be used for any purpose for which ad
 6-60 valorem tax revenue of the district may be used.

6-61 (b) The district may not adopt a sales and use tax if as a
 6-62 result of the adoption of the tax the combined rate of all sales and
 6-63 use taxes imposed by the district and other political subdivisions
 6-64 of this state having territory in the district would exceed two
 6-65 percent at any location in the district.

6-66 (c) If the voters of the district approve the adoption of
 6-67 the tax at an election held on the same election date on which
 6-68 another political subdivision adopts a sales and use tax or
 6-69 approves an increase in the rate of its sales and use tax and as a

7-1 result the combined rate of all sales and use taxes imposed by the
 7-2 district and other political subdivisions of this state having
 7-3 territory in the district would exceed two percent at any location
 7-4 in the district, the election to adopt a sales and use tax under
 7-5 this chapter has no effect.

7-6 Sec. 3937.204. BONDS AND OTHER OBLIGATIONS. (a) The
 7-7 district may issue, by public or private sale, bonds, notes, or
 7-8 other obligations payable wholly or partly from ad valorem taxes,
 7-9 sales and use taxes, or assessments in the manner provided by
 7-10 Subchapter J, Chapter 375, Local Government Code.

7-11 (b) If the territory of the district is not located in the
 7-12 corporate boundaries or extraterritorial jurisdiction of a
 7-13 municipality, the district is not required to comply with Section
 7-14 375.207, Local Government Code, and may issue a bond or other
 7-15 obligation under Subchapter J, Chapter 375, Local Government Code,
 7-16 with the written consent of directors, as provided by Section
 7-17 375.071, Local Government Code.

7-18 (c) In exercising the district's borrowing power, the
 7-19 district may issue a bond or other obligation in the form of a bond,
 7-20 note, certificate of participation or other instrument evidencing a
 7-21 proportionate interest in payments to be made by the district, or
 7-22 other type of obligation.

7-23 (d) In addition to the sources of money described by
 7-24 Subchapter J, Chapter 375, Local Government Code, district bonds
 7-25 may be secured and made payable wholly or partly by a pledge of any
 7-26 part of the money the district receives from improvement revenue or
 7-27 from any other source.

7-28 Sec. 3937.205. BOND MATURITY. Bonds may mature not more
 7-29 than 40 years from their date of issue.

7-30 Sec. 3937.206. TAXES FOR BONDS AND OTHER OBLIGATIONS. At
 7-31 the time bonds or other obligations payable wholly or partly from ad
 7-32 valorem taxes are issued:

7-33 (1) the board shall impose a continuing direct annual
 7-34 ad valorem tax for each year that all or part of the bonds are
 7-35 outstanding; and

7-36 (2) the district annually shall impose an ad valorem
 7-37 tax on all taxable property in the district in an amount sufficient
 7-38 to:

7-39 (A) pay the interest on the bonds or other
 7-40 obligations as the interest becomes due; and

7-41 (B) create a sinking fund for the payment of the
 7-42 principal of the bonds or other obligations when due or the
 7-43 redemption price at any earlier required redemption date.

7-44 SUBCHAPTER F. DISSOLUTION

7-45 Sec. 3937.251. DISSOLUTION BY ORDINANCE. (a) A
 7-46 municipality that includes territory of the district, in the
 7-47 corporate boundaries or extraterritorial jurisdiction of the
 7-48 municipality, by ordinance may dissolve the district.

7-49 (b) The municipality may not dissolve the district until the
 7-50 district's outstanding debt or contractual obligations that are
 7-51 payable from ad valorem taxes have been repaid or discharged, or the
 7-52 municipality has affirmatively assumed the obligation to pay the
 7-53 outstanding debt from municipal revenue.

7-54 Sec. 3937.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

7-55 (a) If the dissolved district has bonds or other obligations
 7-56 outstanding secured by and payable from assessments or other
 7-57 revenue, other than ad valorem taxes, the municipality that
 7-58 dissolves the district shall succeed to the rights and obligations
 7-59 of the district regarding enforcement and collection of the
 7-60 assessments or other revenue.

7-61 (b) The municipality shall have and exercise all district
 7-62 powers to enforce and collect the assessments or other revenue to
 7-63 pay:

7-64 (1) the bonds or other obligations when due and
 7-65 payable according to their terms; or

7-66 (2) special revenue or assessment bonds or other
 7-67 obligations issued by the municipality to refund the outstanding
 7-68 bonds or obligations.

7-69 Sec. 3937.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a)

8-1 If a municipality dissolves the district, the municipality assumes,
8-2 subject to the appropriation and availability of funds, the
8-3 obligations of the district, including any bonds or other debt
8-4 payable from assessments or other district revenue.

8-5 (b) If a municipality dissolves the district, the board
8-6 shall transfer ownership of all district property to the
8-7 municipality.

8-8 SECTION 2. The East Waller County Management District
8-9 initially includes all the territory contained in the following
8-10 area:

8-11 Tract 1 is +/- 628 acres within the H. & T.C.R.R.CO. Survey Abstract
8-12 (No. 173 Sec. 113) and situated northeast of intersection of
8-13 Farm-to-Market Road 529 (Freeman Road) and FM Road 2855 North
8-14 (Morrison Road) in southeast Waller County with point of beginning
8-15 being northwest corner of 10 acre tract (ABS A317300 A-173 H & T C R
8-16 R CO TRACT 2) and east Right-Of-Way (ROW) of FM Road 2855 North
8-17 (Morrison Road);

8-18 Then north along east ROW of FM Road 2855 North (Morrison Road) and
8-19 west boundary of +/-628 tract (ABS A317300 A-173 H & T C R R CO TRACT
8-20 1 ACRES 627.979 P/O 628.479 AC) to northwest corner of said tract;

8-21 Then east along north boundary of said +/- 628 acre tract to
8-22 northeast corner of said tract;

8-23 Then south along east boundary of said +/- 628 tract to southeast
8-24 corner of said tract and north ROW of FM 529 (Freeman Road);

8-25 Then west along south boundary of said +/- 628 acre tract and north
8-26 ROW of FM 529 (Freeman Road) to corner of said tract and southeast
8-27 corner of 10 acre tract (ABS A317300 A-173 H & T C R R CO TRACT 2);

8-28 Then north along east boundary of said 10 acre tract to northeast
8-29 corner of said tract;

8-30 Then west along north boundary of said 10 acre tract to northwest
8-31 corner of said tract and east ROW of FM Road 2855 North (Morrison
8-32 Road) and point of beginning of +/-628 acre tract;

8-33 SECTION 3. (a) The legal notice of the intention to
8-34 introduce this Act, setting forth the general substance of this
8-35 Act, has been published as provided by law, and the notice and a
8-36 copy of this Act have been furnished to all persons, agencies,
8-37 officials, or entities to which they are required to be furnished
8-38 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
8-39 Government Code.

8-40 (b) The governor, one of the required recipients, has
8-41 submitted the notice and Act to the Texas Commission on
8-42 Environmental Quality.

8-43 (c) The Texas Commission on Environmental Quality has filed
8-44 its recommendations relating to this Act with the governor,
8-45 lieutenant governor, and speaker of the house of representatives
8-46 within the required time.

8-47 (d) The general law relating to consent by political
8-48 subdivisions to the creation of districts with conservation,
8-49 reclamation, and road powers and the inclusion of land in those
8-50 districts has been complied with.

8-51 (e) All requirements of the constitution and laws of this
8-52 state and the rules and procedures of the legislature with respect
8-53 to the notice, introduction, and passage of this Act have been
8-54 fulfilled and accomplished.

8-55 SECTION 4. This Act takes effect immediately if it receives
8-56 a vote of two-thirds of all the members elected to each house, as
8-57 provided by Section 39, Article III, Texas Constitution. If this
8-58 Act does not receive the vote necessary for immediate effect, this
8-59 Act takes effect September 1, 2015.

8-60 * * * * *