

1-1 By: Deshotel (Senate Sponsor - Creighton) H.B. No. 4315
 1-2 (In the Senate - Received from the House May 10, 2017;
 1-3 May 10, 2017, read first time and referred to Committee on
 1-4 Administration; May 23, 2017, reported favorably by the following
 1-5 vote: Yeas 7, Nays 0; May 23, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Kolkhorst	X			
1-8 Burton	X			
1-9 Huffines	X			
1-10 Hughes	X			
1-11 Nichols	X			
1-12 West	X			
1-13 Zaffirini	X			

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

1-17 relating to the creation of the Beaumont Municipal Management
 1-18 District No. 1; providing authority to issue bonds and impose
 1-19 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 3960 to read as follows:

1-23 CHAPTER 3960. BEAUMONT MUNICIPAL MANAGEMENT DISTRICT NO. 1
 1-24 SUBCHAPTER A. GENERAL PROVISIONS

1-25 Sec. 3960.001. DEFINITIONS. In this chapter:

- 1-26 (1) "Board" means the district's board of directors.
- 1-27 (2) "City" means the City of Beaumont.
- 1-28 (3) "County" means Jefferson County.
- 1-29 (4) "Director" means a board member.
- 1-30 (5) "District" means the Beaumont Municipal

1-31 Management District No. 1.

1-32 Sec. 3960.002. NATURE OF DISTRICT. The Beaumont Municipal
 1-33 Management District No. 1 is a special district created under
 1-34 Section 59, Article XVI, Texas Constitution.

1-35 Sec. 3960.003. PURPOSE; DECLARATION OF INTENT. (a) The
 1-36 creation of the district is essential to accomplish the purposes of
 1-37 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-38 Texas Constitution, and other public purposes stated in this
 1-39 chapter. By creating the district and in authorizing the city, the
 1-40 county, and other political subdivisions to contract with the
 1-41 district, the legislature has established a program to accomplish
 1-42 the public purposes set out in Section 52-a, Article III, Texas
 1-43 Constitution.

1-44 (b) The creation of the district is necessary to promote,
 1-45 develop, encourage, and maintain employment, commerce,
 1-46 transportation, housing, tourism, recreation, the arts,
 1-47 entertainment, economic development, safety, and the public
 1-48 welfare in the district.

1-49 (c) This chapter and the creation of the district may not be
 1-50 interpreted to relieve the city or the county from providing the
 1-51 level of services provided as of the effective date of the Act
 1-52 enacting this chapter to the area in the district. The district is
 1-53 created to supplement and not to supplant city or county services
 1-54 provided in the district.

1-55 Sec. 3960.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
 1-56 The district is created to serve a public use and benefit.

1-57 (b) All land and other property included in the district
 1-58 will benefit from the improvements and services to be provided by
 1-59 the district under powers conferred by Sections 52 and 52-a,
 1-60 Article III, and Section 59, Article XVI, Texas Constitution, and
 1-61 other powers granted under this chapter.

3-1 and members of the governing body of the city shall appoint voting
3-2 directors from persons recommended by the board. A person is
3-3 appointed if a majority of the members of the governing body,
3-4 including the mayor, vote to appoint that person.

3-5 Sec. 3960.053. NONVOTING DIRECTORS. The board may appoint
3-6 nonvoting directors to serve at the pleasure of the voting
3-7 directors.

3-8 Sec. 3960.054. QUORUM. For purposes of determining the
3-9 requirements for a quorum of the board, the following are not
3-10 counted:

3-11 (1) a board position vacant for any reason, including
3-12 death, resignation, or disqualification;

3-13 (2) a director who is abstaining from participation in
3-14 a vote because of a conflict of interest; or

3-15 (3) a nonvoting director.

3-16 Sec. 3960.055. COMPENSATION. A director is entitled to
3-17 receive fees of office and reimbursement for actual expenses as
3-18 provided by Section 49.060, Water Code. Sections 375.069 and
3-19 375.070, Local Government Code, do not apply to the board.

3-20 Sec. 3960.056. INITIAL VOTING DIRECTORS. (a) The initial
3-21 board consists of the following voting directors:

3-22	<u>Pos. No.</u>	<u>Name of Director</u>
3-23	<u>1</u>	<u>William Jenkins</u>
3-24	<u>2</u>	<u>Bradford Klein</u>
3-25	<u>3</u>	<u>Craig Kinsel</u>
3-26	<u>4</u>	<u>Vivian Pieternelle</u>
3-27	<u>5</u>	<u>David Willard</u>

3-28 (b) Of the initial directors, the terms of directors
3-29 appointed for positions one through three expire June 1, 2019, and
3-30 the terms of directors appointed for positions four and five expire
3-31 June 1, 2021.

3-32 (c) Section 3960.052 does not apply to this section.

3-33 SUBCHAPTER C. POWERS AND DUTIES

3-34 Sec. 3960.101. GENERAL POWERS AND DUTIES. The district has
3-35 the powers and duties necessary to accomplish the purposes for
3-36 which the district is created.

3-37 Sec. 3960.102. IMPROVEMENT PROJECTS AND SERVICES. The
3-38 district may provide, design, construct, acquire, improve,
3-39 relocate, operate, maintain, or finance an improvement project or
3-40 service using any money available to the district, or contract with
3-41 a governmental or private entity to provide, design, construct,
3-42 acquire, improve, relocate, operate, maintain, or finance an
3-43 improvement project or service authorized under this chapter or
3-44 Chapter 375, Local Government Code.

3-45 Sec. 3960.103. DEVELOPMENT CORPORATION POWERS. The
3-46 district, using money available to the district, may exercise the
3-47 powers given to a development corporation under Chapter 505, Local
3-48 Government Code, including the power to own, operate, acquire,
3-49 construct, lease, improve, or maintain a project under that
3-50 chapter.

3-51 Sec. 3960.104. NONPROFIT CORPORATION. (a) The board by
3-52 resolution may authorize the creation of a nonprofit corporation to
3-53 assist and act for the district in implementing a project or
3-54 providing a service authorized by this chapter.

3-55 (b) The nonprofit corporation:

3-56 (1) has each power of and is considered to be a local
3-57 government corporation created under Subchapter D, Chapter 431,
3-58 Transportation Code; and

3-59 (2) may implement any project and provide any service
3-60 authorized by this chapter.

3-61 (c) The board shall appoint the board of directors of the
3-62 nonprofit corporation. The board of directors of the nonprofit
3-63 corporation shall serve in the same manner as the board of directors
3-64 of a local government corporation created under Subchapter D,
3-65 Chapter 431, Transportation Code, except that a board member is not
3-66 required to reside in the district.

3-67 Sec. 3960.105. AGREEMENTS; GRANTS. (a) As provided by
3-68 Chapter 375, Local Government Code, the district may make an
3-69 agreement with or accept a gift, grant, or loan from any person.

4-1 (b) The implementation of a project is a governmental
 4-2 function or service for the purposes of Chapter 791, Government
 4-3 Code.

4-4 Sec. 3960.106. LAW ENFORCEMENT SERVICES. To protect the
 4-5 public interest, the district may contract with a qualified party,
 4-6 including the county or the city, to provide law enforcement
 4-7 services in the district for a fee.

4-8 Sec. 3960.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
 4-9 district may join and pay dues to a charitable or nonprofit
 4-10 organization that performs a service or provides an activity
 4-11 consistent with the furtherance of a district purpose.

4-12 Sec. 3960.108. ECONOMIC DEVELOPMENT. (a) The district may
 4-13 engage in activities that accomplish the economic development
 4-14 purposes of the district.

4-15 (b) The district may establish and provide for the
 4-16 administration of one or more programs to promote state or local
 4-17 economic development and to stimulate business and commercial
 4-18 activity in the district, including programs to:

4-19 (1) make loans and grants of public money; and

4-20 (2) provide district personnel and services.

4-21 (c) The district may create economic development programs
 4-22 and exercise the economic development powers provided to
 4-23 municipalities by:

4-24 (1) Chapter 380, Local Government Code; and

4-25 (2) Subchapter A, Chapter 1509, Government Code.

4-26 Sec. 3960.109. PARKING FACILITIES. (a) The district may
 4-27 acquire, lease as lessor or lessee, construct, develop, own,
 4-28 operate, and maintain parking facilities or a system of parking
 4-29 facilities, including lots, garages, parking terminals, or other
 4-30 structures or accommodations for parking motor vehicles off the
 4-31 streets and related appurtenances.

4-32 (b) The district's parking facilities serve the public
 4-33 purposes of the district and are owned, used, and held for a public
 4-34 purpose even if leased or operated by a private entity for a term of
 4-35 years.

4-36 (c) The district's parking facilities are parts of and
 4-37 necessary components of a street and are considered to be a street
 4-38 or road improvement.

4-39 (d) The development and operation of the district's parking
 4-40 facilities may be considered an economic development program.

4-41 Sec. 3960.110. ANNEXATION OF LAND. The district may annex
 4-42 land as provided by Subchapter J, Chapter 49, Water Code.

4-43 Sec. 3960.111. APPROVAL BY CITY. Section 375.207, Local
 4-44 Government Code, does not apply to the district.

4-45 Sec. 3960.112. NO EMINENT DOMAIN POWER. The district may
 4-46 not exercise the power of eminent domain.

4-47 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

4-48 Sec. 3960.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 4-49 board by resolution shall establish the number of directors'
 4-50 signatures and the procedure required for a disbursement or
 4-51 transfer of district money.

4-52 Sec. 3960.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
 4-53 The district may acquire, construct, finance, operate, or maintain
 4-54 any improvement or service authorized under this chapter or Chapter
 4-55 375, Local Government Code, using any money available to the
 4-56 district.

4-57 Sec. 3960.153. PETITION REQUIRED FOR FINANCING SERVICES AND
 4-58 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 4-59 service or improvement project with assessments under this chapter
 4-60 unless a written petition requesting that service or improvement
 4-61 has been filed with the board.

4-62 (b) A petition filed under Subsection (a) must be signed by
 4-63 the owners of a majority of the assessed value of real property in
 4-64 the district subject to assessment according to the most recent
 4-65 certified tax appraisal roll for the county.

4-66 Sec. 3960.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
 4-67 The board by resolution may impose and collect an assessment for any
 4-68 purpose authorized by this chapter in all or any part of the
 4-69 district.

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

5-6 (1) are a first and prior lien against the property
 5-7 assessed;

5-8 (2) are superior to any other lien or claim other than
 5-9 a lien or claim for county, school district, or municipal ad valorem
 5-10 taxes; and

5-11 (3) are the personal liability of and a charge against
 5-12 the owners of the property even if the owners are not named in the
 5-13 assessment proceedings.

5-14 (c) The lien is effective from the date of the board's
 5-15 resolution imposing the assessment until the date the assessment is
 5-16 paid. The board may enforce the lien in the same manner that the
 5-17 board may enforce an ad valorem tax lien against real property.

5-18 (d) The board may make a correction to or deletion from the
 5-19 assessment roll that does not increase the amount of assessment of
 5-20 any parcel of land without providing notice and holding a hearing in
 5-21 the manner required for additional assessments.

5-22 Sec. 3960.155. TAX AND ASSESSMENT ABATEMENTS. The district
 5-23 may designate reinvestment zones and may grant abatements of a tax
 5-24 or assessment on property in the zones.

5-25 SUBCHAPTER E. TAXES AND BONDS

5-26 Sec. 3960.201. ELECTIONS REGARDING TAXES AND BONDS. (a)
 5-27 The district may issue, without an election, bonds, notes, and
 5-28 other obligations secured by:

5-29 (1) revenue other than ad valorem taxes; or

5-30 (2) contract payments described by Section 3960.203.

5-31 (b) The district must hold an election in the manner
 5-32 provided by Subchapter L, Chapter 375, Local Government Code, to
 5-33 obtain voter approval before the district may impose an ad valorem
 5-34 tax or issue bonds payable from ad valorem taxes.

5-35 (c) Section 375.243, Local Government Code, does not apply
 5-36 to the district.

5-37 (d) All or any part of any facilities or improvements that
 5-38 may be acquired by a district by the issuance of its bonds may be
 5-39 submitted as a single proposition or as several propositions to be
 5-40 voted on at the election.

5-41 Sec. 3960.202. OPERATION AND MAINTENANCE TAX. (a) If
 5-42 authorized by a majority of the district voters voting at an
 5-43 election held in accordance with Section 3960.201, the district may
 5-44 impose an operation and maintenance tax on taxable property in the
 5-45 district in accordance with Section 49.107, Water Code, for any
 5-46 district purpose, including to:

5-47 (1) maintain and operate the district;

5-48 (2) construct or acquire improvements; or

5-49 (3) provide a service.

5-50 (b) The board shall determine the tax rate. The rate may not
 5-51 exceed the rate approved at the election.

5-52 Sec. 3960.203. CONTRACT TAXES. (a) In accordance with
 5-53 Section 49.108, Water Code, the district may impose a tax other than
 5-54 an operation and maintenance tax and use the revenue derived from
 5-55 the tax to make payments under a contract after the provisions of
 5-56 the contract have been approved by a majority of the district voters
 5-57 voting at an election held for that purpose.

5-58 (b) A contract approved by the district voters may contain a
 5-59 provision stating that the contract may be modified or amended by
 5-60 the board without further voter approval.

5-61 Sec. 3960.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
 5-62 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
 5-63 determined by the board. Section 375.205, Local Government Code,
 5-64 does not apply to a loan, line of credit, or other borrowing from a
 5-65 bank or financial institution secured by revenue other than ad
 5-66 valorem taxes.

5-67 (b) The district may issue bonds, notes, or other
 5-68 obligations payable wholly or partly from ad valorem taxes,
 5-69 assessments, impact fees, revenue, contract payments, grants, or

6-1 other district money, or any combination of those sources of money,
6-2 to pay for any authorized district purpose.

6-3 Sec. 3960.205. TAXES FOR BONDS. At the time the district
6-4 issues bonds payable wholly or partly from ad valorem taxes, the
6-5 board shall provide for the annual imposition of a continuing
6-6 direct annual ad valorem tax, without limit as to rate or amount,
6-7 for each year that all or part of the bonds are outstanding as
6-8 required and in the manner provided by Sections 54.601 and 54.602,
6-9 Water Code.

6-10 Sec. 3960.206. CITY NOT REQUIRED TO PAY DISTRICT
6-11 OBLIGATIONS. Except as provided by Section 375.263, Local
6-12 Government Code, the city is not required to pay a bond, note, or
6-13 other obligation of the district.

6-14 SECTION 2. The Beaumont Municipal Management District No. 1
6-15 initially includes all territory contained in the following area:

6-16 Being a 364.59 acre tract of land out of the Hezekiah Williams
6-17 League, Abstract 56, Jefferson County, Texas; and being all of and
6-18 the same as that certain called 356.24 acre tract as described in
6-19 Deed to Hilcorp Energy I, L.P. as recorded in File Number
6-20 2000033569 of the Real Property Records of Jefferson County, Texas;
6-21 and being all of and the same as that certain called 3.00 acre tract
6-22 as described in Deed to Hilcorp Energy I, L.P. as recorded in File
6-23 Number 2009026928 of the Real Property Records of Jefferson County,
6-24 Texas; and being all of and the same as that certain called 3.00
6-25 acre tract as described in Deed to Hilcorp Energy I, L.P. as
6-26 recorded in File Number 2009026928 of the Real Property Records of
6-27 Jefferson County, Texas; also being all of that certain called
6-28 5.327 acre tract as described in Deed to City of Beaumont as
6-29 recorded in File Number 1999017825 of the Real Property Records of
6-30 Jefferson County, Texas; said 364.59 acre tract of land being more
6-31 particularly described by metes and bounds as follows with all
6-32 bearings reference to said Deed:

6-33 BEGINNING at the intersection of the South right-of-way line
6-34 of Delaware Street (100-foot right-of-way) and the West
6-35 right-of-way line of Dowlen Road;

6-36 THENCE with the East line of said 356.24 acre tract of land
6-37 and the West right-of-way line of said Dowlen Road as follows:

- 6-38 - South 46° 38' 29" East, 71.03 feet to a point for corner;
- 6-39 - South 01° 29' 54" East, 1,020.43 feet to a point for corner at the
6-40 beginning of a curve to the right;
- 6-41 - Along the arc of said curve to the right, having a radius of
6-42 1,103.22 feet, a central angle of 34° 52' 43", an arc length of
6-43 671.58 feet and a chord of South 15° 56' 27" West, 661.26 feet to a
6-44 point for corner;
- 6-45 - South 33° 22' 49" West, 676.38 feet to a point for corner at the
6-46 Easternmost Southeastern corner of said 356.24 acre tract of land;

6-47 THENCE with the Southeastern lines of said 356.24 acre tract
6-48 of land as follows:

- 6-49 - North 52° 02' 47" West, 895.70 feet to a point for corner;
- 6-50 - South 17° 40' 16" West, 979.76 feet to a point for corner;
- 6-51 - North 70° 37' 12" West, 71.57 feet to a point for corner;
- 6-52 - South 88° 37' 33" West, 242.50 feet to a point for corner;
- 6-53 - South 01° 25' 51" East, 570.34 feet to a point for corner;
- 6-54 - South 01° 27' 47" East, 399.76 feet to a point for corner;
- 6-55 - South 88° 35' 58" West, 1,691.15 feet to a point for corner;
- 6-56 - South 01° 21' 56" East, 539.95 feet to a point for corner;
- 6-57 - South 89° 12' 54" West, 322.92 feet to a point for corner;
- 6-58 - South 00° 42' 53" East, 454.55 feet to a point for corner;
- 6-59 - South 89° 07' 58" West, 150.00 feet to a point for corner;
- 6-60 - South 00° 42' 53" East, 199.68 feet to a point for corner in the

6-61 North right-of-way line of Gladys Avenue (60-foot right-of-way) and
6-62 being the Southernmost Southeastern corner of said 356.24 acre
6-63 tract of land;

6-64 THENCE South 89° 05' 45" West with the South line of said
6-65 356.24 acre tract of land and the North right-of-way line of said
6-66 Gladys Avenue, 806.54 feet to a point for corner at the Southwest
6-67 corner of said 356.24 acre tract of land;

6-68 THENCE with the West line of said 356.24 acre tract of land as
6-69 follows:

7-1 - North 00° 36' 51" West, 1,065.58 feet to a point for corner;
7-2 - North 00° 36' 45" West, 1,122.34 feet to a point for corner;
7-3 - South 87° 17' 20" West, 351.02 feet to a point for corner;
7-4 - North 01° 24' 42" West, 2,152.60 feet to a point for corner at the
7-5 Northwest corner of said 356.24 acre tract of land;
7-6 THENCE North 87° 14' 14" East with the North line of said
7-7 356.24 acre tract of land, 1,372.55 to a point for corner on the arc
7-8 of a curve to the right in said South right-of-way line of said
7-9 Delaware Street;
7-10 THENCE with the North line of said 356.24 acre tract of land
7-11 and said South right-of-way line of said Delaware Street as
7-12 follows:
7-13 - Along the arc of said curve to the right, having a radius of
7-14 3,020.88 feet, a central angle of 29° 15' 52", an arc length of
7-15 1,542.95 feet and a chord of North 74° 05' 40" East, 1,526.23 feet to
7-16 a point for corner;
7-17 - North 88° 43' 36" East, 2,302.43 feet to the PLACE OF BEGINNING:
7-18 containing 364.59 acres of land, more or less.
7-19 SECTION 3. (a) The legal notice of the intention to
7-20 introduce this Act, setting forth the general substance of this
7-21 Act, has been published as provided by law, and the notice and a
7-22 copy of this Act have been furnished to all persons, agencies,
7-23 officials, or entities to which they are required to be furnished
7-24 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
7-25 Government Code.
7-26 (b) The governor, one of the required recipients, has
7-27 submitted the notice and Act to the Texas Commission on
7-28 Environmental Quality.
7-29 (c) The Texas Commission on Environmental Quality has filed
7-30 its recommendations relating to this Act with the governor,
7-31 lieutenant governor, and speaker of the house of representatives
7-32 within the required time.
7-33 (d) The general law relating to consent by political
7-34 subdivisions to the creation of districts with conservation,
7-35 reclamation, and road powers and the inclusion of land in those
7-36 districts has been complied with.
7-37 (e) All requirements of the constitution and laws of this
7-38 state and the rules and procedures of the legislature with respect
7-39 to the notice, introduction, and passage of this Act have been
7-40 fulfilled and accomplished.
7-41 SECTION 4. This Act takes effect immediately if it receives
7-42 a vote of two-thirds of all the members elected to each house, as
7-43 provided by Section 39, Article III, Texas Constitution. If this
7-44 Act does not receive the vote necessary for immediate effect, this
7-45 Act takes effect September 1, 2017.

7-46 * * * * *