

**House Bill 1208**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subtitle B, Title 6, Special District Local Laws Code, is amended by adding Chapter 6917 to read as follows:  
CHAPTER 6917. KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-D  
SUBCHAPTER A. GENERAL PROVISIONS  
Sec. 6917.001. DEFINITIONS. In this chapter:  
(1) "Board" means the district's board of directors.  
(2) "Director" means a board member.  
(3) "District" means the Kaufman County Fresh Water Supply District No. 1-D.  
Sec. 6917.002. NATURE OF DISTRICT. The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.  
Sec. 6917.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.  
(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.  
(c) The creation of the district is in the public interest and is essential to further the public purposes of:  
(1) developing and diversifying the economy of the state;  
(2) eliminating unemployment and underemployment; and  
(3) developing or expanding transportation and commerce.  
(d) The district will:  
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;  
(2) provide needed funding for the district to preserve,

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Sec. 6917.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.  
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(3) developing or expanding transportation and commerce.  
(d) The district will:  
(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;  
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maintain, and enhance the economic health and vitality of the district territory as a community and business center; and  
(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

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

Sec. 6917.004. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49, 51, and 53, Water Code;

(2) Chapter 375, Local Government Code; and

(3) Chapter 257, Transportation Code, and other general laws applicable to road districts created under Section 52, Article III, Texas Constitution, to the extent those provisions can apply to the district.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6917.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, concreted, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 6917.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all

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maintain, and enhance the economic health and vitality of the district territory as a community and business center; and  
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(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes a street or road improvement.

Sec. 6917.004. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, the following laws apply to the district:

(1) Chapters 49, 51, and 53, Water Code;

(2) Chapters 372 and 375, Local Government Code; and

(3) Chapter 257, Transportation Code, and other general laws applicable to road districts created under Section 52, Article III, Texas Constitution, to the extent those provisions can apply to the district.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6917.051. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, concreted, or paved roads, or improvements, including storm drainage, in aid of those roads.

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applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 6917.053. JOINT ROAD PROJECTS. (a) A district may contract with a state agency, political subdivision, or corporation created under Chapter 431, Transportation Code, for a joint road project.

(b) The contract may:

(1) provide for joint payment of project costs; and

(2) require the state agency, political subdivision, or corporation to design, construct, or improve a project, including landscaping, as provided by the contract.

Sec. 6917.054. EXEMPTION FROM CERTAIN SUPERVISION AND APPROVAL REQUIREMENTS. (a) The district may reimburse expenditures as provided by Sections 257.003(a) and (b), Transportation Code, without the approval required by Section 257.003(c), Transportation Code.

(b) The district may reimburse expenditures for a project constructed or acquired under Section 6917.051 or 6917.053 without the approval required by Section 49.107(f), Water Code.

(c) Sections 49.181 and 49.182, Water Code, and Section

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applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

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

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

Sec. 6917.053. JOINT ROAD PROJECTS. (a) A district may contract with a state agency, political subdivision, or corporation created under Chapter 431, Transportation Code, for a joint road project.

(b) The contract may:

(1) provide for joint payment of project costs; and

(2) require the state agency, political subdivision, or corporation to design, construct, or improve a project, including landscaping, as provided by the contract.

Sec. 6917.054. EXEMPTION FROM CERTAIN SUPERVISION AND APPROVAL REQUIREMENTS. (a) The district may reimburse expenditures as provided by Sections 257.003(a) and (b), Transportation Code, without the approval required by Section 257.003(c), Transportation Code.

(b) The district may reimburse expenditures for a project constructed or acquired under Section 6917.051 or 6917.053 without the approval required by Section 49.107(f), Water Code.

(c) Sections 49.181 and 49.182, Water Code, and Section

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375.208, Local Government Code, do not apply to:

- (1) a project authorized by Section 6917.051 or 6917.053; or
- (2) bonds issued for a project described by Subdivision (1).

Sec. 6917.055. ROAD CONTRACTS. The district may enter into a contract for a road project in the same manner as a road district under Chapter 257, Transportation Code, except that competitive bidding for a road project contract is governed by Subchapter I, Chapter 49, Water Code.

Sec. 6917.056. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the initial boundaries of the district.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district must:

- (1) name each new district;
- (2) include the metes and bounds description of the territory of each new district;
- (3) appoint temporary directors for each new district; and
- (4) provide for the division of assets and liabilities between or among the new districts.

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375.208, Local Government Code, do not apply to:

- (1) a project authorized by Section 6917.051 or 6917.053;
- (2) bonds issued for a project described by Subdivision (1); or
- (3) bonds issued under Chapter 372, Local Government Code, as authorized by Section 6917.151(b).

Sec. 6917.055. ROAD CONTRACTS. The district may enter into a contract for a road project in the same manner as a road district under Chapter 257, Transportation Code, except that competitive bidding for a road project contract is governed by Subchapter I, Chapter 49, Water Code.

Sec. 6917.056. DIVISION OF DISTRICT. (a) The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any new district created by the division of the district may not, at the time the new district is created, contain any land outside the boundaries of the district as the boundaries exist on the effective date of the Act enacting this chapter.

(d) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(e) An order dividing the district must:

- (1) name each new district;
- (2) include the metes and bounds description of the territory of each new district;
- (3) appoint temporary directors for each new district; and
- (4) provide for the division of assets and liabilities between or

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(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Chapter 49, Water Code.

(h) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 6917.101. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay for an improvement project or an obligation described by Section 6917.151 in the manner provided for a district under Subchapters A, E, and F, Chapter 375, Local Government Code.

(b) The district may impose an assessment for any district operation and maintenance or authorized improvement or supplemental service, including public safety services, in the manner provided for a district under Subchapters A, E, and F, Chapter 375, Local Government Code.

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among the new districts.

(f) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of each county in which the district is located.

(g) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Chapter 49, Water Code.

(h) If the creation of the new district is confirmed, the new district shall provide the election date and results to the Texas Commission on Environmental Quality.

(i) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

Sec. 6917.101. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay for an improvement project or an obligation described by Section 6917.151 in the manner provided for:

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

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

(b) The district may impose an assessment for any district operation and maintenance or authorized improvement or supplemental service, including public safety services, in the manner provided for:

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

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(c) The district may not impose an assessment on a municipality, county, or other political subdivision. Sec. 6917.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

SUBCHAPTER D. BONDS

Sec. 6917.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Subject to Subsections (d) and (e), the district may issue bonds or other obligations to finance the construction, maintenance, or operation of road projects authorized by Section 6917.051 or 6917.053.

(b) The district may issue by competitive bidding or negotiated sale bonds or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract revenue, grants, or other district money, or any combination of those sources, to pay for an improvement project.

(c) District bonds or other obligations issued to pay for a joint utility or road project, in addition to the sources of district

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

(c) The district may not impose an assessment on a municipality, county, or other political subdivision. Sec. 6917.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

SUBCHAPTER D. BONDS

Sec. 6917.151. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) Subject to Subsections (e) and (f), the district may issue bonds or other obligations to finance the construction, maintenance, or operation of road projects authorized by Section 6917.051 or 6917.053.

(b) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from assessments in the manner provided by:

(1) Subchapter J, Chapter 375, Local Government Code; or

(2) Subchapter A, Chapter 372, Local Government Code, if an improvement project financed by an obligation issued under this subsection will be conveyed to or operated and maintained by a municipality or retail utility provider under an agreement between the district and the municipality or retail utility provider entered into before the issuance of the obligation.

(c) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or partly from any available revenue of the district, to pay for an improvement project.

(d) The district may issue by competitive bidding or negotiated sale bonds or other obligations, payable wholly or

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money listed under Subsection (b), may be payable wholly or partly from contract revenue from another district that is secured by ad valorem taxes imposed by or other revenue from the other district.

(d) The district may not issue bonds or other obligations payable wholly or partly from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(e) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. (a) The following are validated and confirmed in all respects:

(1) the creation of the Kaufman County Fresh Water Supply District No. 1-D; and

(2) any act or proceeding of the district, including an election, not excepted by this section and taken not more than three years before the effective date of this Act, effective as of the date on which the act or proceeding occurred.

(b) This section does not apply to:

(1) an act, proceeding, director, other official, bond, or other obligation the validity of which or of whom is the subject of litigation that is pending on the effective date of this Act; or

(2) an act or proceeding that, under a statute of this state or the United States, was a misdemeanor or felony at the time the act or proceeding occurred.

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partly from any available revenue of the district or contract revenue from another district that is secured by ad valorem taxes imposed by or other revenue from the other district, to pay for a joint utility or road project.

(e) The district may not issue bonds or other obligations payable wholly or partly from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(f) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. Same as House version.

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

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

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

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

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

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SECTION 3. Same as House version.

SECTION 4. Same as House version.

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