

By: Rose

H.B. No. 4763

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Spradley Farms Improvement District of Kaufman County; providing the authority to issue bonds; providing authority to impose assessments, fees, and taxes.

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

SECTION 1. Subtitle X, Title 6, Special District Local Laws Code, is amended by adding Chapter 11014 to read as follows:

CHAPTER 11014. SPRADLEY FARMS IMPROVEMENT DISTRICT OF KAUFMAN

COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 11014.0101. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Mesquite.

(3) "County" means Kaufman County.

(4) "Director" means a board member.

(5) "District" means the Spradley Farms Improvement District of Kaufman County.

Sec. 11014.0102. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 11014.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this

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

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

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

18 Sec. 11014.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

19 (a) The district is created to serve a public use and benefit.

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

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

27 (1) developing and diversifying the economy of the

1 state;

2 (2) eliminating unemployment and underemployment; and

3 (3) developing or expanding transportation.

4 (d) The district will:

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

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

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

17 (4) provide for road, bridge, and recreational  
18 facilities for the district.

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

24 (f) The district may not provide, conduct, or authorize any  
25 improvement project on the city streets, highways, rights-of-way,  
26 or easements without the consent of the governing body of the city.

27 (g) Subject to any agreement between the district and the

1 city, the city may:

2 (1) by ordinance, order, or resolution require that  
3 title to all or any portion of an improvement project vest in the  
4 city; or

5 (2) by ordinance, order, or resolution or other  
6 directive authorize the district to own, encumber, maintain, and  
7 operate an improvement project, subject to the right of the city to  
8 order a conveyance of the project to the city on a date determined  
9 by the city.

10 (h) The district shall immediately comply with any city  
11 ordinance, order, or resolution adopted under Subsection (g).

12 (i) For the purposes of this section, planning, design,  
13 construction, improvement, and maintenance of a lake includes work  
14 done for drainage, reclamation, or recreation.

15 (j) The district will not act as the agent or  
16 instrumentality of any private interest even though the district  
17 will benefit many private interests as well as the public.

18 Sec. 11014.0105. INITIAL DISTRICT TERRITORY. (a) The  
19 district is initially composed of the territory described by  
20 Section 2 of the Act enacting this chapter.

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

25 (1) organization, existence, or validity;

26 (2) right to enter into contracts and to issue any type  
27 of bonds for the purposes for which the district is created or to

1 pay the principal of and interest on bonds or obligations pursuant  
2 to a contract;

3 (3) right to impose or collect an assessment or taxes  
4 or any other revenue; or

5 (4) legality or operation.

6 Sec. 11014.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL  
7 ZONES. (a) All or any part of the area of the district is eligible  
8 to be included in:

9 (1) a tax increment reinvestment zone created by the  
10 city under Chapter 311, Tax Code;

11 (2) a tax abatement reinvestment zone created by the  
12 city under Chapter 312, Tax Code; or

13 (3) an enterprise zone created by the city under  
14 Chapter 2303, Government Code.

15 (b) If the city creates a tax increment reinvestment zone  
16 described by Subsection (a), the city and the board of directors of  
17 the zone, by contract with the district, may grant money deposited  
18 in the tax increment fund to the district to be used by the district  
19 for the purposes permitted for money granted to a corporation under  
20 Section 380.002(b), Local Government Code, and the district may  
21 pledge the money as security for any bonds issued by the district  
22 for an improvement project.

23 (c) A tax increment reinvestment zone created by the city  
24 that includes all or any part of the area of the district is not  
25 subject to the limitations provided by Section 311.006(a)(2)(A),  
26 Tax Code. Taxable real property in a reinvestment zone in the  
27 district is not included in the city's compliance with Section

1 311.006(a)(2), Tax Code, for any other reinvestment zone created by  
2 the city.

3 Sec. 11014.0107. CONSTRUCTION OF CHAPTER. This chapter  
4 shall be liberally construed in conformity with the findings and  
5 purposes stated in this chapter.

6 Sec. 11014.0108. CONSENT OF CITY REQUIRED. (a) Except as  
7 provided in Subsection (c), before the district may exercise any  
8 powers under this chapter:

9 (1) the city must adopt an ordinance or resolution  
10 consenting to the creation of the district and to the inclusion of  
11 land in the district; and

12 (2) the district and the city must negotiate and  
13 execute a mutually approved and accepted financing and operating  
14 agreement authorizing and setting forth limitations on the issuance  
15 of bonds by the district and regarding the development plans and  
16 rules for the development and operation of the district and  
17 financing of improvement projects and services.

18 (b) This chapter expires December 31, 2021, if the financing  
19 and operating agreement is not executed by the district and the city  
20 before that date.

21 (c) The board has the powers necessary, convenient, or  
22 desirable to negotiate and execute a mutually approved and accepted  
23 financing and operating agreement.

24 SUBCHAPTER B. BOARD OF DIRECTORS

25 Sec. 11014.0201. GOVERNING BODY; TERMS. The district is  
26 governed by a board of five directors who serve staggered terms of  
27 four years, with two or three directors' terms expiring on June 1 of

1 each even-numbered year.

2 Sec. 11014.0202. APPOINTMENT OF DIRECTORS. (a) The board  
3 shall recommend to the governing body of the city persons to serve  
4 on the succeeding board.

5 (b) After reviewing the recommendations, the governing body  
6 of the city shall approve or disapprove the directors recommended  
7 by the board. A person is appointed if a majority of members of the  
8 governing body of the city approve that person.

9 Sec. 11014.0203. VACANCY. (a) The governing body of the  
10 city shall fill a vacancy on the board of directors for the  
11 remainder of the unexpired term in the same manner described by  
12 Section 11014.0202.

13 (b) If at any time there are fewer than three directors, the  
14 governing body of the city shall appoint the necessary number of  
15 directors who meet the qualifications prescribed by Section  
16 11014.0204 to fill all board vacancies.

17 Sec. 11014.0204. ELIGIBILITY. To be qualified to serve as a  
18 director, a person must be at least 18 years old and:

19 (1) a resident of the district;

20 (2) an owner of property in the district;

21 (3) an owner of stock, whether beneficial or  
22 otherwise, of a corporate owner of property in the district;

23 (4) an owner of a beneficial interest in a trust that  
24 owns property in the district; or

25 (5) an agent, employee, or tenant of a person covered  
26 by Subdivision (2), (3), or (4).

27 Sec. 11014.0205. QUORUM. (a) For purposes of determining

1 the requirements for a quorum of the board, the following are not  
2 counted:

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

5 (2) a director who is abstaining from participation in  
6 a vote because of a conflict of interest.

7 (b) A concurrence of a majority of a quorum of directors is  
8 required for an official action at a meeting of the board.

9 Sec. 11014.0206. OFFICERS. The board shall elect from  
10 among the directors a chair, a vice chair, a secretary, and an  
11 assistant secretary.

12 Sec. 11014.0207. COMPENSATION. A director is entitled to  
13 receive fees of office and reimbursement for actual expenses as  
14 provided by Section 49.060, Water Code.

15 Sec. 11014.0208. INITIAL DIRECTORS. (a) The initial board  
16 includes:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Hank Swayze</u>
<u>2</u>	<u>Hunter Graham</u>
<u>3</u>	<u>Don A. Duke</u>
<u>4</u>	<u>Arianne Bielstein</u>
<u>5</u>	<u>Robert D. Gerlach</u>

23 (b) Of the initial directors, the terms of directors  
24 appointed for positions 1 through 3 expire June 1, 2020, and the  
25 terms of directors appointed for positions 4 and 5 expire June 1,  
26 2022.

27 (c) This section expires September 1, 2022.



SUBCHAPTER C. POWERS AND DUTIES

Sec. 11014.0301. GENERAL POWERS AND DUTIES. (a) The district has the powers and duties necessary to accomplish the purposes for which the district is created.

(b) The district has the powers and duties provided by:

(1) the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code;

(2) the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapters 257 and 441, Transportation Code; and

(3) the general laws relating to municipal management districts created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, including Chapter 375, Local Government Code.

(c) Sections 49.216 and 49.351, Water Code, do not apply to the district.

Sec. 11014.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

(b) The district may contract with a governmental or private entity to carry out an action under Subsection (a).

Sec. 11014.0303. AGREEMENTS; GRANTS. (a) As provided by

1 Chapter 375, Local Government Code, the district may make an  
2 agreement with or accept a gift, grant, or loan from any person.

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

6 Sec. 11014.0304. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
7 The district may join and pay dues to a charitable or nonprofit  
8 organization that performs a service or provides an activity  
9 consistent with the furtherance of a district purpose.

10 Sec. 11014.0305. ROAD STANDARDS AND REQUIREMENTS. (a) A  
11 road project must meet all applicable construction standards,  
12 zoning and subdivision requirements, and regulations of each  
13 municipality in whose corporate limits or extraterritorial  
14 jurisdiction the road project is located.

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

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

23 Sec. 11014.0306. CONDUIT FACILITIES. (a) The district may  
24 finance, acquire, construct, improve, operate, maintain, or charge  
25 a fee for the use of conduits for:

- 26 (1) fiber-optic cable and supporting facilities;  
27 (2) electronic transmission and distribution lines

1 and supporting facilities; or

2 (3) other types of transmission and distribution lines  
3 and supporting facilities.

4 (b) The district may not require a person to use a district  
5 conduit for a purpose described by Subsection (a)(1) or another  
6 telecommunications purpose.

7 Sec. 11014.0307. GENERAL POWERS REGARDING CONTRACTS. (a)  
8 The district may:

9 (1) contract with any person to accomplish any  
10 district purpose, including a contract for:

11 (A) the payment, repayment, or reimbursement of  
12 costs incurred by that person on behalf of the district, including  
13 all or part of the costs of an improvement project and interest on  
14 the reimbursed cost; or

15 (B) the use, occupancy, lease, rental,  
16 operation, maintenance, or management of all or part of a proposed  
17 or existing improvement project; and

18 (2) apply for and contract with any person to receive,  
19 administer, and perform a duty or obligation of the district under a  
20 federal, state, local, or private gift, grant, loan, conveyance,  
21 transfer, bequest, or other financial assistance arrangement  
22 relating to the investigation, planning, analysis, study, design,  
23 acquisition, construction, improvement, completion,  
24 implementation, or operation by the district or others of a  
25 proposed or existing improvement project.

26 (b) A contract the district enters into to carry out a  
27 purpose of this chapter may be on any terms and for any period the

1 board determines, including a negotiable or nonnegotiable note or  
2 warrant payable to the city, the county, or any other person.

3 (c) Any person may contract with the district to carry out  
4 the purposes of this chapter without further statutory or other  
5 authorization.

6 (d) A contract payable from ad valorem taxes for a period  
7 longer than one year must be approved by the governing body of the  
8 city.

9 Sec. 11014.0308. RULES; ENFORCEMENT. (a) The district may  
10 adopt rules:

11 (1) to administer or operate the district;

12 (2) for the use, enjoyment, availability, protection,  
13 security, and maintenance of the district's property and  
14 facilities; or

15 (3) to provide for public safety and security in the  
16 district.

17 (b) The district may enforce its rules by injunctive relief.

18 (c) To the extent a district rule, including a rule adopted  
19 under Section 11014.0310, conflicts with a city code, ordinance, or  
20 regulation, the more restrictive provision controls.

21 Sec. 11014.0309. NAME CHANGE. The board by resolution may  
22 change the district's name on approval by the Texas Commission on  
23 Environmental Quality. The board shall give written notice of the  
24 change to the city.

25 Sec. 11014.0310. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA  
26 OF DISTRICT. (a) The board by rule may regulate the private use of  
27 a public roadway, open space, park, sidewalk, or similar public

1 area or facility in the district. A rule may provide for the safe  
2 and orderly use of public roadways, open spaces, parks, sidewalks,  
3 and similar public areas or facilities.

4 (b) The board may require a permit for a parade,  
5 demonstration, celebration, entertainment event, or similar  
6 nongovernmental activity in or on a public roadway, open space,  
7 park, sidewalk, or similar public area or facility. The board may  
8 charge a fee for the permit application or for public safety or  
9 security services in an amount determined by the board.

10 (c) The board may require a permit or franchise agreement  
11 with a vendor, concessionaire, exhibitor, or similar private or  
12 commercial person or organization for the limited use of the area or  
13 facility on terms and on payment of a permit or franchise fee the  
14 board may impose.

15 Sec. 11014.0311. ADDING OR REMOVING TERRITORY. The board  
16 may add or remove territory under Subchapter J, Chapter 49, and  
17 Section 54.016, Water Code, except that:

18 (1) the addition or removal of the territory must be  
19 approved by:

20 (A) the governing body of the city; and

21 (B) the owners of the territory being added or  
22 removed;

23 (2) a reference to a tax in Subchapter J, Chapter 49,  
24 or Section 54.016, Water Code, means an ad valorem tax; and

25 (3) territory may not be removed from the district if  
26 bonds or other obligations of the district payable, wholly or  
27 partly, from ad valorem taxes on the territory are outstanding.

1       Sec. 11014.0312. TERMS OF EMPLOYMENT; COMPENSATION. The  
2 board may employ and establish the terms of employment and  
3 compensation of an executive director or general manager and any  
4 other district employees the board considers necessary.

5       Sec. 11014.0313. APPROVAL BY THE CITY. (a) The district  
6 must obtain the approval of the city for:

7             (1) the plans and specifications of an improvement  
8 project financed by bonds, notes, or other obligations; and

9             (2) the plans and specifications of an improvement  
10 project related to the use of land owned by the city, an easement  
11 granted by the city, or a right-of-way of a street, road, or  
12 highway.

13       (b) City approval required under this section may be by an  
14 administrative process that does not involve the city's governing  
15 body, unless approval of the city's governing body is required by  
16 federal, state, or local law, ordinance, or regulation.

17       (c) Sections 375.207(a) and (b), Local Government Code, do  
18 not apply to the district.

19       Sec. 11014.0314. PUBLIC IMPROVEMENT DISTRICT POWERS. The  
20 district has the powers provided by Chapter 372, Local Government  
21 Code, to a municipality or county.

22       Sec. 11014.0315. NO EMINENT DOMAIN POWER. The district may  
23 not exercise the power of eminent domain.

24       SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

25       Sec. 11014.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
26 board by resolution shall establish the number of directors'  
27 signatures and the procedure required for a disbursement or

1 transfer of district money.

2 Sec. 11014.0402. PETITION REQUIRED FOR FINANCING SERVICES  
3 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
4 service or improvement project with assessments under this chapter  
5 unless a written petition requesting that service or improvement  
6 has been filed with the board.

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

11 Sec. 11014.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
12 The board by resolution may impose and collect an assessment for any  
13 purpose authorized by this chapter in all or any part of the  
14 district.

15 (b) An assessment, a reassessment, or an assessment  
16 resulting from an addition to or correction of the assessment roll  
17 by the district, penalties and interest on an assessment or  
18 reassessment, an expense of collection, and reasonable attorney's  
19 fees incurred by the district:

20 (1) are a first and prior lien against the property  
21 assessed;

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

25 (3) are the personal liability of and a charge against  
26 the owners of the property even if the owners are not named in the  
27 assessment proceedings.

1       (c) The lien is effective from the date of the board's  
2 resolution imposing the assessment until the date the assessment is  
3 paid. The board may enforce the lien in the same manner that the  
4 board may enforce an ad valorem tax lien against real property. The  
5 lien runs with the land and that portion of an assessment payment  
6 that has not yet come due is not eliminated by foreclosure of an ad  
7 valorem tax lien.

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

12       (e) Assessments may bear interest at a rate specified by the  
13 board that may not exceed the interest rate permitted by Chapter  
14 1204, Government Code.

15       Sec. 11014.0404. TAX AND ASSESSMENT ABATEMENTS. The  
16 district may grant abatements of a district tax or assessment on  
17 property in the district.

18       Sec. 11014.0405. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
19 375.161, Local Government Code, does not apply to an assessment  
20 imposed by the district.

21       Sec. 11014.0406. GOVERNMENTAL ENTITIES; ASSESSMENTS. (a)  
22 Property owned by a municipality, county, or other political  
23 subdivision is exempt from the payment of assessments levied under  
24 this chapter.

25       (b) Section 375.162, Local Government Code, does not apply  
26 to the district.

27       Sec. 11014.0407. GENERAL POWERS REGARDING FINANCIAL



1 MATTERS. (a) The district may:

2 (1) impose an ad valorem tax on all taxable property in  
3 the district, including industrial, commercial, and residential  
4 property, to pay for an improvement project;

5 (2) in addition to the authority granted to the  
6 district under Section 11014.0403, impose an assessment on property  
7 in the district in the manner provided for:

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

10 (B) a municipality or county under Subchapter A,  
11 Chapter 372, Local Government Code;

12 (3) provide or secure the payment or repayment of the  
13 costs and expenses of the establishment, administration, and  
14 operation of the district and the district's costs or share of the  
15 costs or revenue of an improvement project or district contractual  
16 obligation or debt by or through:

17 (A) a lease, installment purchase contract, or  
18 other agreement with any person;

19 (B) the imposition of a tax, assessment, user  
20 fee, concession fee, or rental charge; or

21 (C) any other revenue or resources of the  
22 district;

23 (4) establish user charges for the use of nonpotable  
24 water for irrigation purposes, subject to the approval of the  
25 governing body of the city;

26 (5) undertake separately or jointly with other  
27 persons, including the city or the county, all or part of the cost

1 of an improvement project, including an improvement project:

2 (A) for improving, enhancing, and supporting  
3 public safety and security, fire protection and emergency medical  
4 services, and law enforcement in and adjacent to the district,  
5 subject to approval by the city; or

6 (B) that confers a general benefit on the entire  
7 district or a special benefit on a definable part of the district;  
8 and

9 (6) enter into a tax abatement agreement in accordance  
10 with the general laws of this state authorizing and applicable to  
11 tax abatement agreements by municipalities.

12 (b) Section 375.141, Local Government Code, does not apply  
13 to the district. The district may not adopt and enforce an impact  
14 fee described by Section 49.212(d), Water Code.

15 SUBCHAPTER E. TAXES AND BONDS

16 Sec. 11014.0501. ELECTIONS REGARDING TAXES AND BONDS. (a)  
17 The district may issue, without an election, bonds, notes, and  
18 other obligations secured by:

19 (1) revenue other than ad valorem taxes, including  
20 assessment revenues; or

21 (2) contract payments described by Section  
22 11014.0504.

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

27 (c) Section 375.243, Local Government Code, does not apply

1 to the district.

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

6 Sec. 11014.0502. OPERATION AND MAINTENANCE TAX. (a) If  
7 authorized by a majority of the district voters voting at an  
8 election held for that purpose, the district may impose an  
9 operation and maintenance tax on taxable property in the district  
10 in accordance with Section 49.107, Water Code, for any district  
11 purpose, including to:

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

15 (b) The district may not impose a maintenance and operation  
16 tax unless the maximum tax rate is approved by the governing body of  
17 the city and a majority of the district voters voting at an election  
18 held for that purpose. If the maximum tax rate is approved, the  
19 board may impose the tax at any rate that does not exceed the  
20 approved rate.

21 (c) A maintenance and operation tax election may be held at  
22 the same time and in conjunction with any other district election.  
23 The election may be called by a separate election order or as part  
24 of any other election order.

25 (d) The proposition in a maintenance and operation tax  
26 election may be for a specific maximum rate or for an unlimited  
27 rate.

1       Sec. 11014.0503. USE OF SURPLUS MAINTENANCE AND OPERATION  
2 MONEY. If the district has surplus maintenance and operation tax  
3 money that is not needed for the purposes for which it was  
4 collected, the money may be used for any authorized purpose.

5       Sec. 11014.0504. CONTRACT TAXES. (a) In accordance with  
6 Section 49.108, Water Code, the district may impose a tax and use  
7 the revenue derived from the tax to make payments under a contract  
8 after the provisions of the contract have been approved by a  
9 majority of the district voters voting at an election held for that  
10 purpose.

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

14       Sec. 11014.0505. AUTHORITY TO BORROW MONEY AND TO ISSUE  
15 OBLIGATIONS. (a) The district may borrow money on terms determined  
16 by the board. Section 375.205, Local Government Code, does not  
17 apply to a loan, line of credit, or other borrowing from a bank or  
18 financial institution secured by revenue other than ad valorem  
19 taxes.

20       (b) The district, by competitive sale or negotiated sale,  
21 may issue bonds, notes, or other obligations payable wholly or  
22 partly from ad valorem taxes, assessments, revenue, contract  
23 payments, grants, or other district money, including money received  
24 under Section 11014.0106, or any combination of those sources of  
25 money, to pay for any authorized district purpose or improvement  
26 project, including for refunding bonds.

27       (c) Bonds issued under this section may contain a pledge of

1 assessment revenues from multiple assessments levied by the  
2 district for similar improvements on different phases of  
3 development within the district, and those assessments may be  
4 levied at different times.

5 (d) In exercising the district's borrowing power, the  
6 district may issue a bond or other obligation in the form of a bond,  
7 note, certificate of participation or other instrument evidencing a  
8 proportionate interest in payments to be made by the district, or  
9 other type of obligation.

10 Sec. 11014.0506. TAXES FOR BONDS. At the time the district  
11 issues bonds payable wholly or partly from ad valorem taxes, the  
12 board shall provide for the annual imposition of a continuing  
13 direct ad valorem tax, without limit as to rate or amount, for each  
14 year that all or part of the bonds are outstanding as required and  
15 in the manner provided by Sections 54.601 and 54.602, Water Code.

16 Sec. 11014.0507. BONDS FOR ROAD PROJECTS. At the time of  
17 issuance, the total principal amount of bonds or other obligations  
18 issued or incurred to finance road projects and payable from ad  
19 valorem taxes may not exceed one-fourth of the assessed value of the  
20 real property in the district.

21 Sec. 11014.0508. AUTHORIZED INVESTMENTS; SECURITY. (a)  
22 Bonds issued under this chapter are legal and authorized  
23 investments for:

24 (1) banks, trust companies, and savings and loan  
25 associations;

26 (2) all insurance companies;

27 (3) fiduciaries, trustees, and guardians; and

1           (4) interest funds, sinking funds, and other public  
2 funds of the state or of an agency, subdivision, or instrumentality  
3 of the state, including a county, municipality, school district, or  
4 other district, public agency, or body politic.

5           (b) Bonds issued under this chapter may be security for  
6 deposits of public funds of the state or of an agency, subdivision,  
7 or instrumentality of the state, including a county, municipality,  
8 school district, or other district, public agency, or body politic,  
9 to the extent of the market value of the bonds, if accompanied by  
10 any appurtenant unmatured interest coupons.

11           SUBCHAPTER I. DISSOLUTION AND DIVISION OF DISTRICT

12           Sec. 11014.0901. DISSOLUTION BY BOARD OR PETITION. (a)  
13 Except as provided by Subsection (b), the board:

14           (1) may dissolve the district on its own motion; and  
15           (2) shall dissolve the district on receipt of a  
16 written petition requesting dissolution signed by the owners of at  
17 least 75 percent of the acreage of real property in the district.

18           (b) The board may not dissolve the district until the  
19 district's outstanding debt and contractual obligations have been  
20 repaid or discharged.

21           (c) After the board dissolves the district, the board shall  
22 transfer ownership of all district property and assets to the city.

23           Sec. 11014.0902. DISSOLUTION BY CITY ORDINANCE. (a) The  
24 city by ordinance may dissolve the district.

25           (b) On dissolution, the city shall succeed to all of the  
26 district's outstanding debt and contractual obligations.

27           Sec. 11014.0903. COLLECTION OF ASSESSMENTS AND OTHER

1 REVENUE. (a) If the dissolved district has bonds or other  
2 obligations outstanding secured by and payable from assessments or  
3 other revenue, other than ad valorem taxes, the city shall succeed  
4 to the rights and obligations of the dissolved district regarding  
5 enforcement and collection of the assessments or other revenue.

6 (b) The city shall have and exercise all district powers to  
7 enforce and collect the assessments or other revenue to pay:

8 (1) the bonds or other obligations when due and  
9 payable according to their terms; or

10 (2) special revenue or assessment bonds or other  
11 obligations issued by the city to refund the outstanding bonds or  
12 obligations.

13 Sec. 11014.0904. ASSUMPTION OF ASSETS AND LIABILITIES. (a)  
14 After the city dissolves the district, the city assumes the  
15 obligations of the dissolved district, including any bonds or other  
16 debt payable from assessments or other district revenue.

17 (b) If the city dissolves the district, the board shall  
18 transfer ownership of all district property and assets of the  
19 dissolved district to the city, and the city succeeds to the  
20 property and assets.

21 Sec. 11014.0905. DIVISION OF DISTRICT; PREREQUISITES. The  
22 district may be divided into two or more new districts only if the  
23 district has never issued any obligations secured by ad valorem  
24 taxes.

25 Sec. 11014.0906. LAW APPLICABLE TO NEW DISTRICT. This  
26 chapter applies to any new district created by the division of the  
27 district. A new district has all the powers and duties of the

1 district and may be dissolved in the manner provided for the  
2 district.

3 Sec. 11014.0907. LIMITATION ON AREA OF NEW DISTRICT. The  
4 territory of a new district created by the division of the district  
5 must include at least 100 acres. A new district created by the  
6 division of the district may not, at the time the new district is  
7 created, contain any land outside the area described by Section 2 of  
8 the Act enacting this chapter.

9 Sec. 11014.0908. DIVISION PROCEDURES. (a) The board, on  
10 its own motion or on receipt of a petition signed by the owner or  
11 owners of a majority of the assessed value of the real property in  
12 the district, may adopt an order dividing the district.

13 (b) An order dividing the district must:

14 (1) name each new district;

15 (2) include the metes and bounds description of the  
16 territory of each new district;

17 (3) name each person to serve on the initial board of  
18 directors of each new district; and

19 (4) provide for the division of assets and liabilities  
20 between the new districts, including a plan for the payment or  
21 performance of any outstanding district obligations.

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

27 Sec. 11014.0909. TAX OR BOND ELECTION. Before a new



1 district created by the division of the district may impose an  
2 operation and maintenance tax or issue bonds payable wholly or  
3 partly from ad valorem taxes, the new district must hold an election  
4 as required by this chapter to obtain voter approval.

5 Sec. 11014.0910. CITY CONSENT. (a) The board may not adopt  
6 an order dividing the district unless the division and appointment  
7 of the initial directors for each new district have been approved by  
8 the governing body of the city by resolution or ordinance. The city  
9 resolution or ordinance may set conditions for the division of the  
10 district.

11 (b) A new district created by division of the district is  
12 subject to the resolution or ordinance consenting to the creation  
13 of the district and the new district. Except as provided by  
14 Subsection (c), before a new district may exercise any powers under  
15 this chapter, the new district must enter into a joinder to the  
16 financing and operating agreement with the city.

17 (c) A new district created by the division of the district  
18 has the powers necessary, convenient, or desirable to carry out and  
19 effect the purpose of this section, including organization of its  
20 board and approval and execution of a joinder to the financing and  
21 operating agreement with the city.

22 SECTION 2. The Spradley Farms Improvement District of  
23 Kaufman County initially includes all the territory contained in  
24 the following area:

25 TRACT 1

26 Being a 613.573 acre tract of land situated in the Martha Musick  
27 Survey, Abstract No.312, Kaufman County, Texas, and being all of

1 the described tracts of land conveyed by deed to Spradley/Forney  
2 Development, LTD., as recorded in Volume 1915, Page 215, Deed  
3 Records, Kaufman County, Texas, and being more particularly  
4 described as follows:

5 BEGINNING at a found 3/8 inch iron rod, said point being the  
6 southwest corner of said Spradley/Forney tract, and the northwest  
7 corner of a tract of land conveyed to Heartland First Baptist  
8 Church, as recorded in Volume 3120, Page 471, Deed Records, Kaufman  
9 County, Texas, and being in the existing east right-of-way line of  
10 F.M. Road No. 2757 (a 100 foot Right-of-way);

11 THENCE North 45°12'17" West, along said existing east right-of-way  
12 line, a distance of 3200.34 feet to a point for corner;

13 THENCE North 45°48'19" West, continuing along said existing east  
14 right-of-way line, a distance of 2152.36 feet to a found concrete  
15 monument for corner;

16 THENCE North 37°07'32" West, a distance of 101.59 feet to a found 3/8  
17 inch iron rod for corner;

18 THENCE North 45°48'19" West, a distance of 94.96 feet to a point for  
19 corner, said point being the southeast corner of a tract of land  
20 conveyed by deed to Donald G, Jr and Leasa K. Davis, as recorded in  
21 Volume 3471, Page 60, Deed Records, Kaufman County, Texas;

22 THENCE North 12°57'53" East, along the east line of said Davis  
23 tract, a distance of 1211.80 feet to a point for corner;

24 THENCE North 44°17'49" East, leaving said east line, a distance of  
25 1211.38 feet to a point for corner, said point being in the existing  
26 south right-of-way line of State Highway I-20 (a variable width  
27 right-of-way line)

1 THENCE South 83°33'01" East, along said existing south right-of-way  
2 line, a distance of 2163.89 feet to a point for corner, said point  
3 being the northwest corner of a tract of land conveyed by deed to  
4 I-20 Mesquite Limited Partnership, as recorded in Volume 3072, Page  
5 537, Deed Records, Kaufman County, Texas;

6 THENCE South 45°47'24" East, leaving said existing south  
7 right-of-way line, a distance of 1653.63 feet to a point for corner;

8 THENCE North 44°01'19" East, a distance of 1275.56 feet to a point  
9 for corner, said point being in the existing south right-of-way  
10 line of said State Highway I-20;

11 THENCE South 49°15'08" East, along said existing south right-of-way  
12 line, a distance of 30.13 feet to a point for corner;

13 THENCE North 63°09'15" East, continuing along said existing south  
14 right-of-way line, a distance of 125.17 feet to a point for corner;

15 THENCE South 89°55'49" East, a distance of 174.62 feet to a point for  
16 corner;

17 THENCE North 85°19'44" East, a distance of 1321.76 feet to a point  
18 for corner;

19 THENCE North 83°01'46" East, a distance of 386.92 feet to a point for  
20 corner, said point being the northwest corner of a tract of land  
21 conveyed by deed to Hubert C. Jr White and Pamela Sue Ray, as  
22 recorded in Volume 342, Page 585, Deed Records, Kaufman County,  
23 Texas;

24 THENCE South 07°49'06" East, leaving said existing south  
25 right-of-way line, and along the west line of said White tract, a  
26 distance of 1539.16 feet to a point for corner, said point being the  
27 northeast corner of a tract of land conveyed by deed to Maryfield,

1 LTD, as recorded in Volume 5835, Page 580, Deed Records, Kaufman  
2 County, Texas;

3 THENCE South 43°07'16" West, leaving said west line, and along the  
4 north line of said Maryfield tract, a distance of 406.47 feet to a  
5 point for corner;

6 THENCE South 39°47'32" East, continuing along said north line, a  
7 distance of 29.09 feet to a point for corner;

8 THENCE South 42°47'25" West, a distance of 349.18 feet to a point for  
9 corner, said point being the northwest corner of said Maryfield  
10 tract, and the northwest corner of a tract of land conveyed by deed  
11 to Hannover Estates, LTD, as recorded in Volume 5835, Page 570, Deed  
12 Records, Kaufman County, Texas;

13 THENCE South 11°17'46" East, leaving said north line, and along the  
14 west line of said Hannover tract, a distance of 362.66 feet to a  
15 point for corner, said point being the northeast corner of a tract  
16 of land conveyed by deed to David R. and Winona Littlefield, as  
17 recorded in Volume 1190, Page 528, Deed Records, Kaufman County,  
18 Texas;

19 THENCE South 67°38'08" West, leaving said west line and along the  
20 north line of said Littlefield tract, a distance of 401.86 feet to a  
21 point for corner;

22 THENCE South 22°18'56" East, leaving said north line, and along the  
23 west line of said Littlefield tract, a distance of 387.16 feet to a  
24 point for corner;

25 THENCE South 13°40'49" West, continuing along said west line, a  
26 distance of 85.16 feet to a point for corner, said point being the  
27 northeast corner of a tract of land conveyed by deed to Future

1 Telecom, Inc., as recorded in Volume 3611, Page 280, Deed Records,  
2 Kaufman County, Texas;  
3 THENCE South 52°38'20" West, leaving said west line, and along the  
4 north line of said Future Telecom tract, a distance of 86.93 feet to  
5 a point for corner;  
6 THENCE South 67°42'13" West, continuing along said north line, a  
7 distance of 190.04 feet to a point for corner;  
8 THENCE South 76°53'07" West, a distance of 152.17 feet to a point for  
9 corner;  
10 THENCE South 88°39'24" West, a distance of 155.78 feet to a point for  
11 corner;  
12 THENCE South 43°55'47" West, a distance of 2284.40 feet to a point  
13 for corner, said point being in the north line of a tract of land  
14 conveyed by deed to Keith and Gina Barron, as recorded in Volume  
15 1167, Page 930, Deed Records, Kaufman County, Texas;  
16 THENCE South 45°15'29" West, a distance of 1143.49 feet to the POINT  
17 OF BEGINNING and CONTAINING 26,727,249 square feet, 613.573 acres  
18 of land, more or less.

19 TRACT 2

20 Being a 8.425 acre tract of land situated in the Martha Musick  
21 Survey, Abstract No.312, Kaufman County, Texas, and being all of  
22 the described tracts of land conveyed by deed to Spradley/Forney  
23 Development, LTD., as recorded in Volume 1915, Page 215, Deed  
24 Records, Kaufman County, Texas, and being more particularly  
25 described as follows:

26 COMMENCING at a found 1/2 inch iron rod, said point being the  
27 southwest corner of Lot 14, and the southeast corner of Lot 13, Lone

1 Star Estates Addition, an addition the City of Forney, as recorded  
2 in Volume 2, Page 516, Plat Records, Kaufman County, Texas, and  
3 being in the existing north right-of-way line of State Highway I-20  
4 (a variable width right-of-way)

5 THENCE North 83°17'41" West, along the south line of said Lot 13, and  
6 the existing north right-of-way line, a distance of 102.37 feet to a  
7 point for the POINT OF BEGINNING;

8 THENCE North 83°31'34" West, leaving said south line, and continuing  
9 along said existing north right-of-way line, a distance of 1232.22  
10 feet to a point for corner, said point being the most southerly  
11 southeast corner of a tract of land conveyed by deed to Beam and  
12 Sons, Inc, as recorded in Volume 839, Page 241, Deed Records,  
13 Kaufman County, Texas;

14 THENCE North 44°17'49" East, leaving said existing north  
15 right-of-way line, and along the east line of said Beam and Sons  
16 tract, a distance of 754.15 feet to a point for corner, said point  
17 being in the west line of said Lone Star Estates Addition;

18 THENCE South 45°47'24" East, leaving said east line, and along said  
19 west line, a distance of 973.34 feet to the POINT OF BEGINNING and  
20 CONTAINING 367,022 square feet, 8.425 acres of land, more or less.

21 SECTION 3. (a) The legal notice of the intention to  
22 introduce this Act, setting forth the general substance of this  
23 Act, has been published as provided by law, and the notice and a  
24 copy of this Act have been furnished to all persons, agencies,  
25 officials, or entities to which they are required to be furnished  
26 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
27 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,  
6 lieutenant governor, and speaker of the house of representatives  
7 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 have been  
11 fulfilled and accomplished.

12           SECTION 4. This Act takes effect immediately if it receives  
13 a vote of two-thirds of all the members elected to each house, as  
14 provided by Section 39, Article III, Texas Constitution. If this  
15 Act does not receive the vote necessary for immediate effect, this  
16 Act takes effect September 1, 2019.