

By: Ellzey

H.B. No. 4584

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Sterrett Road Municipal Management District; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting the power of eminent domain.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3959 to read as follows:

CHAPTER 3959. STERRETT ROAD MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3959.0001. DEFINITIONS. In this chapter:

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

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

(3) "Director" means a board member.

(4) "District" means the Sterrett Road Municipal Management District.

Sec. 3959.0002. NATURE OF DISTRICT. The Sterrett Road Municipal Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3959.0003. 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 chapter.

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

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

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

16       Sec. 3959.0004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

22       (b) The district is created to serve a public use and  
23 benefit.

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

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

1           (2) eliminating unemployment and underemployment; and  
2           (3) developing or expanding transportation and  
3 commerce.

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 community and business center;

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

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

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

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

26           Sec. 3959.0005. INITIAL DISTRICT TERRITORY. (a) The  
27 district is initially composed of the territory described by

1 Section 2 of the Act enacting this chapter.

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

6 (1) organization, existence, or validity;

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

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

11 (4) legality or operation.

12 Sec. 3959.0006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

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

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

19 Sec. 3959.0007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
20 DISTRICTS LAW. Except as otherwise provided by this chapter,  
21 Chapter 375, Local Government Code, applies to the district.

22 Sec. 3959.0008. CONSTRUCTION OF CHAPTER. This chapter  
23 shall be liberally construed in conformity with the findings and  
24 purposes stated in this chapter.

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 3959.0051. GOVERNING BODY; TERMS. (a) The district is  
27 governed by a board of five elected directors who serve staggered

1 terms of four years.

2 (b) Directors are elected in the manner provided by  
3 Subchapter D, Chapter 49, Water Code.

4 Sec. 3959.0052. COMPENSATION; EXPENSES. (a) The district  
5 may compensate each director in an amount not to exceed \$150 for  
6 each board meeting. The total amount of compensation for each  
7 director in one year may not exceed \$7,200.

8 (b) A director is entitled to reimbursement for necessary  
9 and reasonable expenses incurred in carrying out the duties and  
10 responsibilities of the board.

11 Sec. 3959.0053. INITIAL DIRECTORS. (a) The initial board  
12 consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>David Muckleroy</u>
<u>2</u>	<u>Kenner Link</u>
<u>3</u>	<u>Peter Madrala</u>
<u>4</u>	<u>Ian Hall</u>
<u>5</u>	<u>Brock Babb</u>

19 (b) Of the initial directors, the terms of directors  
20 appointed for positions one through three expire June 1, 2023, and  
21 the terms of directors appointed for positions four and five expire  
22 June 1, 2025.

23 SUBCHAPTER C. POWERS AND DUTIES

24 Sec. 3959.0101. GENERAL POWERS AND DUTIES. The district  
25 has the powers and duties necessary to accomplish the purposes for  
26 which the district is created.

27 Sec. 3959.0102. IMPROVEMENT PROJECTS AND SERVICES. (a) The

1 district, using any money available to the district for the  
2 purpose, may provide, design, construct, acquire, improve,  
3 relocate, operate, maintain, or finance an improvement project or  
4 service authorized under this chapter or Chapter 372 or 375, Local  
5 Government Code.

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

8 (c) The implementation of a district project or service is a  
9 governmental function or service for the purposes of Chapter 791,  
10 Government Code.

11 Sec. 3959.0103. NONPROFIT CORPORATION. (a) The board by  
12 resolution may authorize the creation of a nonprofit corporation to  
13 assist and act for the district in implementing a project or  
14 providing a service authorized by this chapter.

15 (b) The nonprofit corporation:

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

19 (2) may implement any project and provide any service  
20 authorized by this chapter.

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

27 Sec. 3959.0104. LAW ENFORCEMENT SERVICES. To protect the

1 public interest, the district may contract with the city to provide  
2 additional law enforcement services in the district for a fee.

3 Sec. 3959.0105. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

4 The district may join and pay dues to a charitable or nonprofit  
5 organization that performs a service or provides an activity  
6 consistent with the furtherance of a district purpose.

7 Sec. 3959.0106. ECONOMIC DEVELOPMENT PROGRAMS. (a) The

8 district may engage in activities that accomplish the economic  
9 development purposes of the district.

10 (b) The district may establish and provide for the  
11 administration of one or more programs to promote state or local  
12 economic development and to stimulate business and commercial  
13 activity in the district, including programs to:

14 (1) make loans and grants of public money; and

15 (2) provide district personnel and services.

16 (c) The district may create economic development programs  
17 and exercise the economic development powers provided to  
18 municipalities by:

19 (1) Chapter 380, Local Government Code; and

20 (2) Subchapter A, Chapter 1509, Government Code.

21 Sec. 3959.0107. PARKING FACILITIES. (a) The district may  
22 acquire, lease as lessor or lessee, construct, develop, own,  
23 operate, and maintain parking facilities or a system of parking  
24 facilities, including lots, garages, parking terminals, or other  
25 structures or accommodations for parking motor vehicles off the  
26 streets and related appurtenances.

27 (b) The district's parking facilities serve the public

1 purposes of the district and are owned, used, and held for a public  
2 purpose even if leased or operated by a private entity for a term of  
3 years.

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

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

9 Sec. 3959.0108. ADDING OR EXCLUDING LAND. The district may  
10 add or exclude land in the manner provided by Subchapter J, Chapter  
11 49, Water Code, or by Subchapter H, Chapter 54, Water Code.

12 Sec. 3959.0109. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
13 board by resolution shall establish the number of directors'  
14 signatures and the procedure required for a disbursement or  
15 transfer of district money.

16 Sec. 3959.0110. EMINENT DOMAIN. The district may exercise  
17 the power of eminent domain in the manner provided by Chapter 49,  
18 Water Code.

19 Sec. 3959.0111. DIVISION OF DISTRICT. (a) The district may  
20 be divided into two or more new districts only if the district:

21 (1) has no outstanding bonded debt; and

22 (2) is not imposing ad valorem taxes.

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

26 (c) Any new district created by the division of the district  
27 may not, at the time the new district is created, contain any land



1 outside the area described by Section 2 of the Act enacting this  
2 chapter.

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

7 (e) An order dividing the district must:

8 (1) name each new district;

9 (2) include the metes and bounds description of the  
10 territory of each new district;

11 (3) appoint initial directors for each new district;

12 and

13 (4) provide for the division of assets and liabilities  
14 between or among the new districts.

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

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

24 (h) Municipal consent to the creation of the district and to  
25 the inclusion of land in the district granted under Section  
26 3959.0206 acts as municipal consent to the creation of any new  
27 district created by the division of the district and to the

1 inclusion of land in the new district.

2 SUBCHAPTER D. ASSESSMENTS

3 Sec. 3959.0151. PETITION REQUIRED FOR FINANCING SERVICES  
4 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
5 service or improvement project with assessments under this chapter  
6 unless a written petition requesting that service or improvement  
7 has been filed with the board.

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

12 Sec. 3959.0152. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
13 The board by resolution may impose and collect an assessment for any  
14 purpose authorized by this chapter in all or any part of the  
15 district.

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

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

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

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

1 assessment proceedings.

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

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

10 Sec. 3959.0153. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT.  
11 Section 375.161, Local Government Code, does not apply to the  
12 district.

13 SUBCHAPTER E. TAXES AND BONDS

14 Sec. 3959.0201. TAX ELECTION REQUIRED. (a) The district  
15 must hold an election in the manner provided by Chapter 49, Water  
16 Code, or, if applicable, Chapter 375, Local Government Code, to  
17 obtain voter approval before the district may impose an ad valorem  
18 tax.

19 (b) Section 375.243, Local Government Code, does not apply  
20 to the district.

21 Sec. 3959.0202. OPERATION AND MAINTENANCE TAX. (a) If  
22 authorized by a majority of the district voters voting at an  
23 election under Section 3959.0201, the district may impose an  
24 operation and maintenance tax on taxable property in the district  
25 in the manner provided by Section 49.107, Water Code, for any  
26 district purpose, including to:

27 (1) maintain and operate the district;

1           (2) construct or acquire improvements; or

2           (3) provide a service.

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

6           Sec. 3959.0203. AUTHORITY TO BORROW MONEY AND TO ISSUE  
7 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
8 terms determined by the board.

9           (b) The district may issue, by public or private sale,  
10 bonds, notes, or other obligations payable wholly or partly from ad  
11 valorem taxes, assessments, impact fees, revenue, contract  
12 payments, grants, or other district money, or any combination of  
13 those sources of money, to pay for any authorized district purpose.

14           (c) The limitation on the outstanding principal amount of  
15 bonds, notes, or other obligations provided by Section [49.4645](#),  
16 Water Code, does not apply to the district.

17           (d) The district may issue, by public or private sale,  
18 bonds, notes, or other obligations payable wholly or partly from ad  
19 valorem taxes or assessments in the manner provided by Subchapter  
20 [A](#), Chapter [372](#), Local Government Code, if the improvements financed  
21 by an obligation issued under this section will be conveyed to or  
22 operated and maintained by a municipality or other retail utility  
23 provider pursuant to an agreement with the district entered into  
24 before the issuance of the obligation.

25           Sec. 3959.0204. BONDS SECURED BY REVENUE OR CONTRACT  
26 PAYMENTS. The district may issue, without an election, bonds  
27 secured by:

1           (1) revenue other than ad valorem taxes;

2           (2) contract payments, provided that the requirements  
3 of Section 49.108, Water Code, have been met; or

4           (3) other contract revenues.

5           Sec. 3959.0205. BONDS SECURED BY AD VALOREM TAXES;  
6 ELECTIONS. (a) If authorized at an election under Section  
7 3959.0201, the district may issue bonds payable from ad valorem  
8 taxes.

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

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

19           Sec. 3959.0206. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
20 board may not issue bonds until each municipality in whose  
21 corporate limits or extraterritorial jurisdiction the district is  
22 located has consented by ordinance or resolution to the creation of  
23 the district and to the inclusion of land in the district.

24           (b) This section applies only to the district's first  
25 issuance of bonds payable from ad valorem taxes.

26                           SUBCHAPTER Z. DISSOLUTION

27           Sec. 3959.0901. DISSOLUTION. (a) The board shall dissolve

1 the district on written petition filed with the board by the owners  
2 of:

3 (1) 66 percent or more of the assessed value subject to  
4 assessment by the district of the property in the district based on  
5 the most recent certified county property tax rolls; or

6 (2) 66 percent or more of the surface area of the  
7 district, excluding roads, streets, highways, utility  
8 rights-of-way, other public areas, and other property exempt from  
9 assessment by the district according to the most recent certified  
10 county property tax rolls.

11 (b) The district may not be dissolved if the district:

12 (1) has any outstanding bonded or other indebtedness  
13 until that bonded or other indebtedness has been repaid or defeased  
14 in accordance with the order or resolution authorizing the issuance  
15 of the bonded or other indebtedness;

16 (2) has a contractual obligation to pay money until  
17 that obligation has been fully paid in accordance with the  
18 contract; or

19 (3) owns, operates, or maintains public works,  
20 facilities, or improvements unless the district has contracted with  
21 another party for the ownership and operation or maintenance of the  
22 public works, facilities, or improvements.

23 (c) Section 375.262, Local Government Code, does not apply  
24 to the district.

25 SECTION 2. The Sterrett Road Municipal Management District  
26 initially includes all territory contained in the following area:

27 Being a parcel of land located in Ellis County, Texas, a part of the

1 a part of the Clement Goar Survey, Abstract Number 401, a part of  
2 the Carter H. Hurst Survey, Abstract Number 456, and being all of  
3 that called 124.27 acre tract of land described in deed to Futex  
4 Property Company No. 112, LLC as recorded in Instrument Number  
5 1801007, Official Public Records of Ellis County, Texas, and being  
6 all of that called 101.19 acre tract of land described in deed to  
7 James R. Pitts, Trustee as recorded in Instrument Number 1723473,  
8 Official Public Records of Ellis County, Texas, and also being all  
9 of that called 360.00 acre tract of land described in deed to Fuscom  
10 Property Company No. 2, LLC as recorded in Instrument Number  
11 1800404, Official Public Records of Ellis County, Texas, and being  
12 further described as follows:

13 BEGINNING at a point at the southwest corner of said 124.27 acre  
14 tract, said point also being at the approximate centerline  
15 intersection of West Sterrett Road and Patrick Road;

16 THENCE North 00 degrees 02 minutes 30 seconds West, 4,252.90 feet to  
17 a point for corner, said point being the most westerly northwest  
18 corner of said 360.00 acre tract, said point also being in Patrick  
19 Road;

20 THENCE along the north line of said 360.00 acre tract as follows:

21 North 88 degrees 02 minutes 21 seconds East, 2,227.21 feet to  
22 a point for corner;

23 North 03 degrees 02 minutes 39 seconds West, 972.62 feet to a  
24 point for corner;

25 North 89 degrees 51 minutes 38 seconds East, 459.17 feet to a  
26 point for corner;

27 North 02 degrees 01 minutes 41 seconds West, 296.17 feet to a

1 point for corner;  
2 North 89 degrees 01 minutes 02 seconds East, 1,306.16 feet to  
3 a point for corner;  
4 North 88 degrees 37 minutes 03 seconds East, 453.09 feet to a  
5 point for corner;  
6 South 01 degrees 18 minutes 19 seconds East, 437.73 feet to a  
7 point for corner;  
8 North 89 degrees 09 minutes 41 seconds East, 850.07 feet to a  
9 point for corner, said point being the northeast corner of said  
10 360.00 acre tract;  
11 THENCE along the east line of said 360.00 acre tract as follows:  
12 South 00 degrees 57 minutes 39 seconds East, 1,694.38 feet to  
13 a point for corner;  
14 South 01 degrees 25 minutes 02 seconds East, 1,620.58 feet to  
15 a point for corner, said point being the southeast corner of said  
16 360.00 acre tract, said point also being the northeast corner of  
17 said 101.19 acre tract;  
18 THENCE South 00 degrees 37 minutes 32 seconds East, 1,625.00 feet to  
19 the southeast corner of said 101.19 acre tract, said point also  
20 being in West Sterrett Road;  
21 THENCE North 89 degrees 19 minutes 15 seconds West, 2,693.70 feet to  
22 a point for corner, said point being the southwest corner of said  
23 101.19 acre tract, said point also being in the east line of said  
24 124.27 acre tract, said point also being in West Sterrett Road;  
25 THENCE South 01 degrees 22 minutes 01 seconds East, 294.05 feet to a  
26 point for corner, said point being the southeast corner of said  
27 124.27 acre tract, said point also being in West Sterrett Road;



1 THENCE South 89 degrees 54 minutes 12 seconds West, 2,638.73 feet  
2 along the south line of said 124.27 acre tract to the POINT OF  
3 BEGINNING and containing 25,506,220 square feet or 585.542 acres of  
4 land.

5 Bearings are based on the west line of that called 124.27 acre tract  
6 of land described in deed to Futex Property Company No. 112, LLC as  
7 recorded in Instrument Number 1801007, Official Public Records of  
8 Ellis County, Texas.

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

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

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

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

27 SECTION 4. (a) Section 3959.0110, Special District Local

1 Laws Code, as added by Section 1 of this Act, takes effect only if  
2 this Act receives a two-thirds vote of all the members elected to  
3 each house.

4 (b) If this Act does not receive a two-thirds vote of all the  
5 members elected to each house, Subchapter C, Chapter 3959, Special  
6 District Local Laws Code, as added by Section 1 of this Act, is  
7 amended by adding Section 3959.0110 to read as follows:

8 Sec. 3959.0110. NO EMINENT DOMAIN POWER. The district may  
9 not exercise the power of eminent domain.

10 (c) This section is not intended to be an expression of a  
11 legislative interpretation of the requirements of Section 17(c),  
12 Article I, Texas Constitution.

13 SECTION 5. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2021.