

Chapter 804

H.B. No. 4303

1 AN ACT
2 relating to the creation of the Prairie Ridge Municipal Management
3 District No. 1 and to the correction of defined terms in the law
4 governing the Joshua Farms Municipal Management District No. 1 and
5 the law governing the Joshua Farms Municipal Management District
6 No. 2; providing authority to issue bonds; providing authority to
7 impose assessments, fees, or taxes; granting a limited power of
8 eminent domain.

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

10 SECTION 1. Section 3926.001(2), Special District Local Laws
11 Code, is amended to read as follows:

12 (2) "City" means the City of Cleburne [~~Burleson~~],
13 Texas.

14 SECTION 2. Section 3929.001(2), Special District Local Laws
15 Code, is amended to read as follows:

16 (2) "City" means the City of Burleson [~~Cleburne~~],
17 Texas.

18 SECTION 3. Subtitle C, Title 4, Special District Local Laws
19 Code, is amended by adding Chapter 3954 to read as follows:

20 CHAPTER 3954. PRAIRIE RIDGE MUNICIPAL MANAGEMENT DISTRICT NO. 1

21 SUBCHAPTER A. GENERAL PROVISIONS

22 Sec. 3954.001. DEFINITIONS. In this chapter:

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

24 (2) "City" means the City of Grand Prairie, Texas.

1 (3) "Commission" means the Texas Commission on
2 Environmental Quality.

3 (4) "Director" means a board member.

4 (5) "District" means the Prairie Ridge Municipal
5 Management District No. 1.

6 Sec. 3954.002. CREATION AND NATURE OF DISTRICT. The
7 district is a special district created under Sections 52 and 52-a,
8 Article III, and Section 59, Article XVI, Texas Constitution.

9 Sec. 3954.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The
10 creation of the district is essential to accomplish the purposes of
11 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
12 Texas Constitution, and other public purposes stated in this
13 chapter. By creating the district and in authorizing the city and
14 other political subdivisions to contract with the district, the
15 legislature has established a program to accomplish the public
16 purposes set out in Section 52-a, Article III, Texas Constitution.

17 (b) The creation of the district is necessary to promote,
18 develop, encourage, and maintain employment, commerce,
19 transportation, housing, tourism, recreation, the arts,
20 entertainment, economic development, safety, and the public
21 welfare in the district.

22 Sec. 3954.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a)
23 The district is created to serve a public use and benefit.

24 (b) All land and other property included in the district
25 will benefit from the improvements and services to be provided by
26 the district under powers conferred by Sections 52 and 52-a,
27 Article III, and Section 59, Article XVI, Texas Constitution, and

1 other powers granted under this chapter.

2 (c) The district is created to accomplish the purposes of a
3 municipal management district as provided by general law and
4 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
5 Texas Constitution.

6 (d) The creation of the district is in the public interest
7 and is essential to further the public purposes of:

8 (1) developing and diversifying the economy of the
9 state;

10 (2) eliminating unemployment and underemployment;

11 (3) developing or expanding transportation and
12 commerce; and

13 (4) providing quality residential housing.

14 (e) The district will:

15 (1) promote the health, safety, and general welfare of
16 residents, employers, potential employees, employees, visitors,
17 and consumers in the district, and of the public;

18 (2) provide needed funding for the district to
19 preserve, maintain, and enhance the economic health and vitality of
20 the district territory as a residential community and business
21 center; and

22 (3) promote the health, safety, welfare, and enjoyment
23 of the public by providing pedestrian ways and by landscaping and
24 developing certain areas in the district, which are necessary for
25 the restoration, preservation, and enhancement of scenic beauty.

26 (f) Pedestrian ways along or across a street, whether at
27 grade or above or below the surface, and street lighting, street

1 landscaping, parking, and street art objects are parts of and
2 necessary components of a street and are considered to be a street
3 or road improvement.

4 (g) The district will not act as the agent or
5 instrumentality of any private interest even though the district
6 will benefit many private interests as well as the public.

7 Sec. 3954.005. INITIAL DISTRICT TERRITORY. (a) The
8 district is initially composed of the territory described by
9 Section 4 of the Act enacting this chapter.

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

14 (1) organization, existence, or validity;

15 (2) right to contract;

16 (3) authority to borrow money or issue bonds or other
17 obligations described by Section 3954.201 or to pay the principal
18 and interest of the bonds or other obligations;

19 (4) right to impose or collect an assessment or
20 collect other revenue; or

21 (5) legality or operation.

22 Sec. 3954.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

23 (a) All or any part of the area of the district is eligible to be
24 included in:

25 (1) a tax increment reinvestment zone created under
26 Chapter 311, Tax Code;

27 (2) a tax abatement reinvestment zone created under

1 Chapter 312, Tax Code; or

2 (3) an enterprise zone created under Chapter 2303,
3 Government Code.

4 (b) If the city creates a tax increment reinvestment zone
5 described by Subsection (a), the city and the board of directors of
6 the zone, by contract with the district, may grant money deposited
7 in the tax increment fund to the district to be used by the district
8 for:

9 (1) the purposes permitted for money granted to a
10 corporation under Section 380.002(b), Local Government Code; and

11 (2) any other district purpose, including the right to
12 pledge the money as security for any bonds or other obligations
13 issued by the district under Section 3954.201.

14 (c) If the city creates a tax increment reinvestment zone
15 described by Subsection (a), the city may determine the percentage
16 of the property in the zone that may be used for residential
17 purposes and is not subject to the limitations provided by Section
18 311.006, Tax Code.

19 Sec. 3954.007. CONFIRMATION AND DIRECTORS' ELECTION
20 REQUIRED. The initial directors shall hold an election to confirm
21 the creation of the district and to elect five permanent directors
22 as provided by Section 49.102, Water Code.

23 Sec. 3954.008. CITY CONSENT AND DEVELOPMENT AGREEMENT
24 EXECUTION REQUIRED. The initial directors may not hold an election
25 under Section 3954.007 until the city has:

26 (1) consented by ordinance or resolution to the
27 creation of the district and to the inclusion of land in the

1 district; and

2 (2) entered into a development agreement with the
3 owners of the real property in the district under Section 212.172,
4 Local Government Code.

5 Sec. 3954.009. APPLICABILITY OF MUNICIPAL MANAGEMENT
6 DISTRICT LAW. Except as provided by this chapter, Chapter 375,
7 Local Government Code, applies to the district.

8 Sec. 3954.010. CONFLICT WITH REGIONAL WATER DISTRICT. To
9 the extent any authority or power granted to the district conflicts
10 with any authority or power granted to the Tarrant Regional Water
11 District, the authority or power granted to the Tarrant Regional
12 Water District supersedes and controls over the authority or power
13 granted to the district, unless the Tarrant Regional Water District
14 consents to the exercise of the authority or power by the district.

15 Sec. 3954.011. CONSTRUCTION OF CHAPTER. This chapter shall
16 be liberally construed in conformity with the findings and purposes
17 stated in this chapter.

18 SUBCHAPTER B. BOARD OF DIRECTORS

19 Sec. 3954.051. GOVERNING BODY; TERMS. (a) The district is
20 governed by a board of five elected directors.

21 (b) Except as provided by Section 3954.052, directors serve
22 staggered four-year terms.

23 Sec. 3954.052. INITIAL DIRECTORS. (a) The initial board
24 consists of:

	<u>Pos. No.</u>	<u>Name of Director</u>
25		
26	<u>1</u>	<u>Murphy Short</u>
27	<u>2</u>	<u>Johnny Catalano</u>

1 3 Reid Halverson

2 4 Riley Standridge

3 5 Brian Tomich

4 (b) Initial directors serve until the earlier of:

5 (1) the date permanent directors are elected under
6 Section 3954.007; or

7 (2) the fourth anniversary of the effective date of
8 the Act enacting this chapter.

9 (c) If permanent directors have not been elected under
10 Section 3954.007 and the terms of the initial directors have
11 expired, successor initial directors shall be appointed or
12 reappointed as provided by Subsection (d) to serve terms that
13 expire on the earlier of:

14 (1) the date permanent directors are elected under
15 Section 3954.007; or

16 (2) the fourth anniversary of the date of the
17 appointment or reappointment.

18 (d) If Subsection (c) applies, the owner or owners of a
19 majority of the assessed value of the real property in the district
20 according to the most recent certified tax appraisal rolls for the
21 county may submit a petition to the commission requesting that the
22 commission appoint as successor initial directors the five persons
23 named in the petition. The commission shall appoint as successor
24 initial directors the five persons named in the petition.

25 Sec. 3954.053. COMPENSATION. A director is entitled to
26 receive fees of office and reimbursement for actual expenses in the
27 manner provided by Section 49.060, Water Code. Sections 375.069 and

1 375.070, Local Government Code, do not apply to the board.

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3954.101. GENERAL POWERS AND DUTIES. The district has
4 the powers and duties necessary to accomplish the purposes for
5 which the district is created.

6 Sec. 3954.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
7 district may provide, design, construct, acquire, improve,
8 relocate, operate, maintain, or finance an improvement project or
9 service using any money available to the district, or contract with
10 a governmental or private entity for the provision, design,
11 construction, acquisition, improvement, relocation, operation,
12 maintenance, or financing of an improvement project or service
13 authorized under this chapter or Chapter 372 or 375, Local
14 Government Code.

15 (b) An improvement project may be located inside or outside
16 the district.

17 Sec. 3954.103. ADDING OR REMOVING TERRITORY. (a) Subject
18 to Subsection (b), the board may add or remove territory as provided
19 by Subchapter J, Chapter 49, Water Code.

20 (b) The district may add territory as described by
21 Subsection (a) only if the district obtains written consent from:

22 (1) the governing body of the city; and

23 (2) any public entity that owns facilities for the
24 inter-county transportation of water in the area proposed to be
25 annexed.

26 Sec. 3954.104. EMINENT DOMAIN. The district may exercise
27 the power of eminent domain in the manner and for the purposes

1 provided by Section 49.222, Water Code, except that the district
2 may not acquire by condemnation a property interest or facility
3 owned or controlled by a public entity.

4 Sec. 3954.105. DIVISION OF DISTRICT. (a) The district may
5 be divided into two or more new districts only if the district:

6 (1) has no outstanding bonded debt; and

7 (2) is not imposing ad valorem taxes.

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

11 (c) Any new district created by the division of the district
12 may not, at the time the new district is created, contain any land
13 outside the area described by Section 4 of the Act enacting this
14 chapter.

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

19 (e) The board may adopt an order dividing the district
20 before or after the date the board holds an election under Section
21 3954.007 to confirm the creation of the district.

22 (f) An order dividing the district must:

23 (1) name each new district;

24 (2) include the metes and bounds description of the
25 territory of each new district;

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

27 and

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

3 (g) On or before the 30th day after the date of adoption of
4 an order dividing the district, the district shall file the order
5 with the commission and record the order in the real property
6 records of each county in which the district is located.

7 (h) Any new district created by the division of the district
8 shall hold a confirmation and directors' election as required by
9 Section 3954.007.

10 (i) If the creation of the new district is confirmed, the
11 new district shall provide the election date and results to the
12 commission.

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

17 (k) Municipal consent to the creation of the district and to
18 the inclusion of land in the district granted under Section
19 3954.008 acts as municipal consent to the creation of any new
20 district created by the division of the district and to the
21 inclusion of land in the new district.

22 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

23 Sec. 3954.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
24 board by resolution shall establish the number of directors'
25 signatures and the procedure required for a disbursement or
26 transfer of the district's money.

27 Sec. 3954.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.

1 The district may acquire, construct, finance, maintain, or operate
2 an improvement project or service authorized by this chapter or
3 Chapter 372 or 375, Local Government Code, using any money
4 available to the district.

5 Sec. 3954.153. METHOD OF NOTICE FOR HEARING. The district
6 may mail the notice required by Section 375.115(c), Local
7 Government Code, by certified or first class United States mail.
8 The board shall determine the method of notice.

9 Sec. 3954.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
10 The board by resolution may impose and collect an assessment for any
11 purpose authorized by this chapter in all or any part of the
12 district.

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

18 (1) a first and prior lien against the property
19 assessed;

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

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

26 (c) The lien is effective from the date of the board's
27 resolution imposing the assessment until the date the assessment is

1 paid. The board may enforce the lien in the same manner that the
2 board may enforce an ad valorem tax lien against real property.

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

7 (e) The district may not impose an assessment on property or
8 facilities owned, controlled, or operated by a public entity.

9 Sec. 3954.155. RESIDENTIAL PROPERTY NOT EXEMPT. Sections
10 375.161 and 375.164, Local Government Code, do not apply to the
11 district.

12 SUBCHAPTER E. TAXES AND BONDS

13 Sec. 3954.201. BONDS AND OTHER OBLIGATIONS. (a) The
14 district may issue, by public or private sale, bonds, notes, or
15 other obligations payable wholly or partly from ad valorem taxes or
16 assessments in the manner provided by Subchapter J, Chapter 375,
17 Local Government Code.

18 (b) If the improvements financed by an obligation will be
19 conveyed to or operated and maintained by a municipality or retail
20 utility provider pursuant to an agreement between the district and
21 the municipality or retail utility provider entered into before the
22 issuance of the obligation, the obligation may be issued in the
23 manner provided by Subchapter A, Chapter 372, Local Government
24 Code.

25 (c) In exercising the district's borrowing power, the
26 district may issue a bond or other obligation in the form of a bond,
27 note, certificate of participation or other instrument evidencing a

1 proportionate interest in payments to be made by the district, or
2 other type of obligation.

3 (d) In addition to the sources of money described by
4 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local
5 Government Code, district bonds may be secured and made payable
6 wholly or partly by a pledge of any part of the money the district
7 receives from improvement revenue, receives under Section
8 3954.006(b), or receives from any other source.

9 (e) The district may issue bonds, notes, or other
10 obligations to maintain or repair an existing improvement project
11 only if the district obtains written consent from the governing
12 body of the city.

13 Sec. 3954.202. ELECTIONS REGARDING TAXES AND BONDS. (a)
14 The district may issue, without an election, bonds, notes, and
15 other obligations secured by:

16 (1) revenue other than ad valorem taxes; or

17 (2) contract payments described by Section 3954.205.

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

22 (c) Section 375.243, Local Government Code, does not apply
23 to the district.

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

1 Sec. 3954.203. TAXES FOR BONDS. At the time the district
2 issues bonds payable wholly or partly from ad valorem taxes, the
3 board shall provide for the annual imposition of a continuing
4 direct ad valorem tax, without limit as to rate or amount, while all
5 or part of the bonds are outstanding as required and in the manner
6 provided by Sections 54.601 and 54.602, Water Code.

7 Sec. 3954.204. OPERATION AND MAINTENANCE TAX. (a) If
8 authorized by a majority of the district voters voting at an
9 election held under Section 3954.202, the district may impose an
10 operation and maintenance tax on taxable property in the district
11 in accordance with Section 49.107, Water Code.

12 (b) The board shall determine the tax rate. The rate may not
13 exceed the rate approved at the election.

14 (c) Section 49.107(f), Water Code, does not apply to a
15 reimbursement made for a purpose described by Section 3954.102.

16 Sec. 3954.205. CONTRACT TAXES. (a) In accordance with
17 Section 49.108, Water Code, the district may impose a tax other than
18 an operation and maintenance tax and use the revenue derived from
19 the tax to make payments under a contract after the provisions of
20 the contract have been approved by a majority of the district voters
21 voting at an election held for that purpose.

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

25 SUBCHAPTER F. DISSOLUTION

26 Sec. 3954.251. DISSOLUTION BY CITY ORDINANCE. (a) The
27 governing body of the city may dissolve the district by ordinance.

1 (b) The governing body may not dissolve the district until:

2 (1) water, sanitary, sewer, and drainage improvements
3 and roads have been constructed to serve at least 90 percent of the
4 developable territory of the district; and

5 (2) the district has reimbursed each party that has an
6 agreement with the district for all costs advanced to or on behalf
7 of the district.

8 (c) Until the district is dissolved, the district is
9 responsible for all bonds and other obligations of the district.

10 Sec. 3954.252. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

11 (a) If the dissolved district has bonds or other obligations
12 outstanding secured by and payable from assessments or other
13 revenue, other than revenue from ad valorem taxes, the city shall
14 succeed to the rights and obligations of the district regarding
15 enforcement and collection of the assessments or other revenue.

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

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

20 (2) special revenue or assessment bonds or other
21 obligations issued by the city to refund the outstanding bonds or
22 obligations.

23 Sec. 3954.253. ASSUMPTION OF ASSETS AND LIABILITIES. (a)

24 After the city dissolves the district, the city assumes the
25 obligations of the district, including any bonds or other debt
26 payable from assessments or other district revenue.

27 (b) If the city dissolves the district, the board shall

1 transfer ownership of all district property to the city.

2 SECTION 4. The Prairie Ridge Municipal Management District
3 No. 1 initially includes all the territory contained in the
4 following area:

5 (a) TRACT 1:

6 BEING a part of a tract or parcel of land situated in the Joseph
7 Stewart Survey, Abstract No. 754, Heirs of Allen Larsen, Survey
8 No. 497, T. Stanbury Survey, Abstract 762, and the J. H. Working
9 Survey, Abstract No. 897, Johnson County, Texas, and being part of
10 that same tract of land from Karal Kay Cannon, as described in
11 Volume 02111, Page 0850, Deed Records, Ellis County, Texas, and as
12 described in Book 3500, Page 0941, Official Public Records of
13 Johnson County, Texas, and all of a tract from Billy D. Cannon and
14 Michelle Cannon, to PRA Prairie Ridge, L.P. as described in Book
15 3500, Page 0941, Official Public Records of Johnson County, Texas,
16 and a tract of land from Phillip Nabors Smauder and Jennie Smauder
17 Pope, to PRA Prairie Ridge, L.P. as described in County Clerk File
18 No. 2104-00248, Official Public Records of Johnson County, Texas,
19 and being more particularly described as follows:

20 BEGINNING at a point in County Road 506 at an intersection with the
21 Ellis County and Johnson County limits line along with the
22 intersection of the Joseph Stewart Survey, Abstract No. 961, the
23 Joseph Stewart Survey, Abstract No. 754, and the John H. Working
24 Survey, Abstract No. 897;

25 THENCE South 00°47'39" East, departing from said county road and
26 along the said Johnson and Ellis County lines, a distance of 5474.77
27 feet to a 1/2" iron rod found;

1 THENCE South 59°47'49" West, along a north line of Bennett W. Cervin
2 tract one as described in Volume 2001, Page 0749, Deed Records,
3 Ellis County, Texas, a distance of 537.29 feet to a 1/2" iron rod
4 found;

5 THENCE North 30°19'12" West, along an east line of a Jeniffer
6 N. Sweeney tract described in Book 0608, Page 830, Deed Records,
7 Johnson County, Texas, a distance of 767.82 feet to a 1/2" iron rod
8 found;

9 THENCE South 59°32'27" West, along a north line of said Jeniffer
10 N. Sweeney tract, a distance of 5401.00 feet to a 1/2" iron rod
11 found;

12 THENCE North 30°44'12" West, along County Road 619, a distance of
13 1053.81 feet to a 1/2" iron rod found;

14 THENCE North 59°59'51" East, leaving said county road, along a north
15 line of a tract of land from Phillip Nabors Smauder and Jennie
16 Smauder Pope, to PRA Prairie Ridge, L.P. as described in County
17 Clerk File No. 2104-00248, Official Public Records of Johnson
18 County, Texas a distance of 291.69 feet;

19 THENCE North 30°44'47" West, along a west line of said Smauder
20 tract, a distance of 150.00 feet to a 1/2" iron rod found;

21 THENCE South 59°59'52" West, along a south line of Smauder tract, to
22 County Road 619, a distance of 291.67 feet to a 1/2" iron rod found;

23 THENCE North 30°44'12" West, along a west line of said Smauder tract
24 a distance of 2672.24 feet to a 1/2" iron rod found;

25 THENCE North 59°59'42" East, along a north line of said Smauder
26 tract, a distance of 888.13 feet to a 1/2" iron rod found;

27 THENCE North 60°06'44" East, along a north line of said Smauder

1 tract, a distance of 1077.88 feet to a 1/2" iron rod found;
2 THENCE North 59°33'36" East, along a north line of said Smauder
3 tract, a distance of 1233.53 feet to a 1/2" iron rod found;
4 THENCE North 60°12'38" East, along a north line of said Smauder
5 tract, a distance of 2229.85 feet to a 1/2" iron rod found;
6 THENCE North 56°47'57" East, reaching a northeasterly 90° elbow in
7 County Road 506, along a south line of tract described in Book 3256,
8 Page 0733, Deed Records, Johnson County, Texas, a distance of
9 3239.36 feet to the POINT OF BEGINNING, containing 678.614 acres,
10 more or less.

11 TRACT 2:

12 Being all those certain Lots, Tracts or Parcels of Land situated in
13 the R.K. Wines Survey, Abstract 1178, Ellis County, Texas, and
14 being part of that certain contract of land conveyed to John
15 W. Brumbeloe, Sr. (referred to as Tract III) as recorded in Volume
16 558, Page 209, Deed Records, Ellis County, Texas and being known as
17 designated at Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Sunset Park
18 (referred to as Tract II), an addition to Ellis County, Texas,
19 according to the plat filed of record in Cabinet "B", Slide 13, plat
20 records, Ellis County, Texas, and being more particularly described
21 as follows:

22 Commencing at a found 1-inch iron pipe from the southeast corner of
23 a tract of land conveyed to Edward J. Kilchenstein, as recorded in
24 Volume 710, Page 627, Deed Records, Ellis County, Texas and the
25 north line of a tract of land conveyed to Lia Vang and wife, Xia
26 Vang, Jeff V. Hang and wife, Melissa S. Hang, Chue Moua and wife,
27 Maikoulap Moura as recorded in Volume 1832, Page 2002, Deed

1 Records, Ellis County, Texas;
2 Thence S 59°29'25" W, along the common line of said Kilchenstein
3 tract and the Vang, Hang, Moua tract, a distance of 339.40 feet to a
4 found 3/8-inch iron rod with a yellow plastic cap stamped "RPLS 446"
5 at the Northwest corner of said Vang, Hang, Moua tract and the
6 Northeast corner of said Brumbeloe tract, said point being the
7 place of Beginning of this herein described tract of land;
8 Thence S 01°22'20" E, along the common line of said Vang, Hang, Moua
9 tract, passing a found 1/2-inch iron rod with a yellow plastic cap
10 stamped "RPLS 4466" at 1,372.08 continuing for a total distance of
11 1,406.52 feet to a found 1/2-inch iron rod with a yellow plastic cap
12 stamped "RPLS 4466" in the centerline of County Road 506 Greasy Road
13 (Lakeview Road);
14 Thence S 59°39'02" W, along the centerline of said County Road, a
15 distance of 1,015.46 feet to a found 5/8-inch iron rod with a yellow
16 plastic cap stamped "Cotton Surveying" (hereinafter referred to as
17 set iron rod) for corner;
18 Thence S 59°43'42" W, continuing along the centerline of said County
19 Road, a distance of 402.48 feet to a found railroad spike at the
20 intersection of said County Road and Cypress Road, said point being
21 the South corner of said Sunset Park Addition and the South corner
22 of this herein described tract of land;
23 Thence N 00°14'22" W, along the centerline of Cypress Road, the West
24 line of said Sunset Park Addition, a distance of 865.02 feet to a
25 found 1/2-inch iron rod for corner;
26 Thence N 59°30'57" E, passing a 1/2-inch iron rod at 37.40 at the
27 Southwest corner of the Sunset Park, Phase 2 Addition, according to

1 the plat thereof recorded in Cabinet "C", Slide 438, plat records,
2 Ellis County, Texas, continuing for a total distance of 417.09 feet
3 to a found 1/2-inch iron rod with a yellow plastic cap at the
4 Southeast Corner of said Sunset Park Phase 2 Addition and the West
5 line of said Brumbeloe tract for corner;
6 Thence N 03°03'40" E, along the East line of said Sunset Park Phase 2
7 Addition tract and the West line of said Brumbeloe tract, a distance
8 of 103.80 feet to a found 1/2-inch iron rod;
9 Thence N 00°31'47" W, along the East line of said Sunset Park Phase 2
10 Addition tract and the West line of said Brumbeloe tract, a distance
11 of 60.37 feet to a found 1/2-inch iron rod for corner;
12 Thence N 00°05'09" W, along the East line of said Sunset Park Phase 2
13 Addition tract and the West line of said Brumbeloe tract, a distance
14 of 129.83 feet to a 2-inch iron pipe for corner;
15 Thence N 01°06'07" W, along the East line of said Sunset Park Phase 2
16 Addition tract and the West line of said Brumbeloe tract, a distance
17 of 130.88 feet to a found 1-inch iron pipe for corner;
18 Thence N 01°03'32" W, along the East line of said Sunset Park Phase 2
19 Addition tract and the West line of said Brumbeloe tract, a distance
20 of 129.92 feet to a found 1-inch iron pipe in the South line of said
21 Kilchenstein tract and Northwest corner of said Brumbeloe tract,
22 said point being Northeasterly corner of said Sunset Park Phase 2
23 Addition;
24 Thence N 59°32'07" E, along the South line of said Kilchenstein
25 tract, a distance of 968.19 feet to the Place of Beginning and
26 having an area of 1,521,385 square feet, or 34.926 acres of land,
27 more or less.

1 TRACT 3:

2 BEING all those certain lots, tracts, or parcels of land situated in
3 the Joseph Stewart Survey, Abstract No. 961, Ellis County, Texas
4 and being those same tracts of land conveyed to PRA Prairie Ridge,
5 L.P. as recorded in Volume 2111, Page 0866, Deed Records, Ellis
6 County, Texas and being more particularly described as follows:

7 POINT OF BEGINNING at a 1/2-inch iron rod found for the west corner
8 of a tract of land conveyed to Tom Lamon, and wife, Crystal Lamon,
9 as recorded in Volume 924, Page 46, Deed Records, Ellis County,
10 Texas, said point being on the Southeast edge of County Road
11 506/Greasy Road (Lakeview Road);

12 THENCE South 31°46'30" East, along the Southwest line of said Lamon
13 tract, a distance of 609.38 feet to a 3/4-inch pipe found on the
14 North line of a tract of land conveyed to Waltmore, L.L.C. DBA
15 Lakeside Ranch (described as Tract 1), as recorded in Volume 1607,
16 Page 392, Deed Records, Ellis County, Texas, the Southwest corner
17 of said Lamon tract and an exterior ell corner of this herein
18 described tract of land;

19 THENCE South 58°10'54" West, along the Northwest line of said
20 Waltmore tract, a distance of 419.44 feet to a rod nail found for
21 the West corner of said Waltmore tract and an interior ell corner of
22 this herein described tract of land;

23 THENCE South 25°14'30" East, continuing along the Northwest line of
24 said Waltmore tract, a distance of 849.17 feet to a set 5/8-inch
25 iron rod with yellow plastic cap stamped "Cotton Surveying"
26 (hereinafter referred to as set iron rod) for corner;

27 THENCE across land described in Volume 02111, Page 0866, Deed

1 Records of Ellis County, Texas, the following course and distances:
2 Southwesterly along a curve to the right having a central angle of
3 $43^{\circ}44'52''$, a radius of 1000.00 feet, whose chord bears South
4 $55^{\circ}28'14''$ West, a chord distance of 745.13 feet, and an arc length of
5 763.54 feet to a set iron rod for corner;
6 South $77^{\circ}20'40''$ West a distance of 437.24 feet to a set iron rod for
7 corner;
8 Westerly along a curve to the right having a central angle of
9 $11^{\circ}17'25''$, a radius of 1350.00 feet, whose chord bears South
10 $82^{\circ}59'23''$ West, a chord distance of 265.59 feet, and an arc length of
11 266.02 feet to a set iron rod for corner;
12 South $88^{\circ}38'05''$ West a distance of 288.43 feet to a set iron rod for
13 corner;
14 South $88^{\circ}38'05''$ West a distance of 33.98 feet to a set iron rod for
15 corner;
16 North $01^{\circ}21'55''$ West a distance of 180.00 feet to a point for corner;
17 South $88^{\circ}38'05''$ West a distance of 15.94 feet to a point for corner;
18 Northerly along a curve to the left having a central angle of
19 $15^{\circ}26'09''$, a radius of 231.08 feet, whose chord bears North $14^{\circ}21'12''$
20 West, a chord distance of 62.07 feet, and an arc length of 62.26
21 feet to a set iron rod for corner;
22 North $22^{\circ}05'57''$ West a distance of 73.92 feet to a set iron rod for
23 corner;
24 Northerly along a curve to the right having a central angle of
25 $20^{\circ}45'58''$, a radius of 325.00 feet, whose chord bears North $11^{\circ}42'58''$
26 West, a chord distance of 117.15 feet, and an arc length of 117.79
27 feet to a set iron rod for corner;

1 North 01°19'06" West a distance of 125.01 feet to a point for corner;
2 Northerly along a curve to the right having a central angle of
3 22°31'56", a radius of 15.50 feet, whose chord bears North 09°56'52"
4 East, a chord distance of 6.06 feet, and an arc length of 6.10 feet
5 to a set iron rod for corner;
6 Northwesterly along said curve to the left having a central angle of
7 71°14'05", a radius of 50.00 feet, whose chord bears North 14°24'13"
8 West, a chord distance of 58.24 feet, and an arc length of 62.16
9 feet to a set iron rod for corner;
10 North 01°21'55" West, a distance of 113.61 feet to a set iron rod for
11 corner;
12 THENCE North 60°04'57" East, along the Southeast line of a tract
13 described to Robert A. Willis and wife, Lonnie L. Willis, as
14 recorded in Volume 1298, Page 646, Deed Records of Ellis County,
15 Texas, a distance of 205.36 feet to a found 1/2-inch iron rod for
16 corner;
17 THENCE North 25°47'09" West, along the Northeast line of said Willis
18 tract, a distance of 450.38 feet to a found 1/2-inch iron rod for
19 the North corner of said Willis tract;
20 THENCE North 59°39'02" East, a distance of 1,650.09 feet to the
21 POINT OF BEGINNING and containing 55.967 acres of land, more or
22 less.
23 TRACT 4:
24 BEING a tract of land situated in the Joseph Stewart Survey,
25 Abstract No. 961, in Ellis County, Texas, said tract being all of a
26 called 17.119 acre tract of land described in a deed to Texas
27 Midstream Gas Services, L.L.C., recorded in Volume 2342, Page 136,

1 Deed Records, Ellis County, Texas, and being more particularly
2 described as follows:

3 BEGINNING and a 1/2-inch iron rod found in the approximate center of
4 Lakeview Drive for the most westerly corner of said 17.119 acre
5 tract, the north corner of a called 213.7845 acre tract of land
6 described in a deed to PRA Prairie Ridge, L.P., recorded in Volume
7 2111, Page 866 of said Deed Records and on the southeasterly
8 boundary of a called 198.758 acre tract described in a deed to
9 Harper Cattle Company, recorded in Volume 1205, Page 47 of said Deed
10 Records;

11 THENCE North 59 degrees 35 minutes 08 seconds East, along the
12 approximate center of Lakeview Drive, a distance of 1,186.71 feet
13 to a 1/2-inch iron rod found for the most northerly corner of said
14 17.119 acre tract and the west corner of a called 0.057 acre tract
15 described in a deed to the State of Texas, recorded in Volume 340,
16 Page 390 of said Deed Records;

17 THENCE South 29 degrees 53 minutes 02 seconds East, along the common
18 boundary between said 17.119 acre tract and said 0.057 acre tract, a
19 distance of 49.83 feet to a 1/2-inch iron rod found for an interior
20 ell corner of said 17.119 acre tract and the south corner of said
21 0.057 acre tract;

22 THENCE North 59 degrees 29 minutes 07 seconds East, continuing
23 along the common boundary between said 17.119 acre tract and said
24 0.057 acre tract, a distance of 50.09 feet to a 1/2-inch iron rod
25 found for the northerly northeast corner of said 17.119 acre tract
26 and the east corner of said 0.057 acre tract, and on the
27 southwesterly boundary of a called 10 acre tract described as Tract

1 6 in a deed to Bennett W. Cervin recorded in Volume 2001, Page 749
2 of said Deed Records;

3 THENCE South 30 degrees 08 minutes 24 seconds East, along the common
4 boundary between said 17.119 acre tract and said 10 acre tract, a
5 distance of 559.67 feet to a 5/8-inch iron rod with cap marked
6 "PETITT - RPLS 4087" set for the most easterly corner of said 17.119
7 acre tract and the most northerly corner of a called 461.178 acre
8 tract described in a deed to PRA Prairie Ridge Development Corp.,
9 recorded in Volume 2325, Page 470 of said Deed Records;

10 THENCE South 59 degrees 35 minutes 41 seconds West, along the common
11 boundary between said 17.119 acre tract and said 461.178 acre
12 tract, a distance of 1,219.26 feet to a 1-inch iron pipe found for
13 the most easterly northeast corner of said 213.7845 acre tract, an
14 exterior ell corner of said 461.178 acre tract and the most
15 southerly corner of said 17.119 acre tract;

16 THENCE North 31 degrees 46 minutes 05 seconds West, along the common
17 boundary between said 17.119 acre tract and said 213.7845 acre
18 tract, a distance of 609.38 feet to the POINT OF BEGINNING and
19 containing 745,700 square feet, or 17.119 acres of land, more or
20 less.

21 TRACT 5:

22 BEING a part of a tract or parcel of land situated in the Joseph
23 Stewart Survey, Abstract No. 961, Ellis County, Texas and, and
24 being part of that same tract of land from Karal Kay Cannon, to PRA
25 Prairie Ridge, L.P. as recorded in Book 3500, Page 0941, Volume
26 02111, Page 0873, Volume 02111, Page 0866, official public records
27 of Johnson county, texas and Volume 02111, Page 0850, Deed Records,

1 Ellis County, Texas, and all of a tract from Chris D. Cannon and
2 Deanna G. Cannon to PRA Prairie Ridge L.P., as described in Volume
3 02111, Page 0860, Deed Records of Ellis County, Texas, and Book
4 3500, Page 0958, of the Official Public Records of Johnson County,
5 Texas, and being more particularly described as follows:

6 POINT OF BEGINNING at a found 1/2-inch iron rod in County Road 506
7 at an intersection with the Ellis County and Johnson County limits
8 line along with the intersection of the Joseph Stewart Survey,
9 Abstract No. 961, the Joseph Steward Survey, Abstract No. 754, and
10 the John H. Working Survey, Abstract No. 897;

11 THENCE North 56°14'52" East, along County Road 506, also known as
12 Lakeview Road, a distance of 892.63 feet to a set 5/8-inch iron rod
13 with yellow plastic cap stamped "Cotton Surveying" (hereinafter
14 referred to as set iron rod) for corner;

15 THENCE North 59°39'02" East, along said road, a distance of 4140.12
16 feet to a found 1/2-inch iron rod for corner;

17 THENCE South 25°48'57" East, leaving said road and along the west
18 line of a tract described to Robert A. Willis and wife, Lonnie
19 L. Willis in Volume 1298, Page 646, Deed Records of Ellis County
20 Texas, a distance of 448.65 feet to a found 1/2-inch iron rod for
21 corner;

22 THENCE North 60°04'57" East, along a South line of above described
23 tract, a distance of 2039 feet to a set iron rod for corner;

24 THENCE South 01°21'55" East, along a west line of a tract from
25 Richard J. Bantke and wife, Sandra Sue Bantke, to PRA Prairie Ridge
26 L.P., as described in Volume 02111, Page 0866, Deed Records of Ellis
27 County, Texas, a distance of 113.61 feet to a set iron rod for

1 corner;
2 THENCE along west line of said property, with a curve right having a
3 radius of 50.00 feet and a central angle of $71^{\circ}14'05''$ and being
4 subtended by a chord which bears South $14^{\circ}24'13''$ East, 58.24 feet;
5 THENCE southeasterly and southerly along said curve, a distance of
6 52.16 feet to a point of reverse curve, to a set iron rod for corner;
7 THENCE along west line of said property, with a curve left having a
8 radius of 15.50 feet and a central angle of $22^{\circ}31'56''$ and being
9 subtended by a chord which bears South $09^{\circ}56'52''$ West 6.06 feet;
10 THENCE southerly along said curve, a distance of 6.10 feet to a set
11 iron rod for corner;
12 THENCE South $01^{\circ}19'06''$ East, along west line of said property,
13 tangent to said curve, a distance of 125.01 feet to a set iron rod
14 for corner;
15 THENCE along west line of said property, with a curve left having a
16 radius of 325.00 feet and a central angle of $20^{\circ}45'58''$ and being
17 subtended by a chord which bears South $11^{\circ}42'58''$ East, 117.15 feet;
18 THENCE southerly along said curve, along west line of said
19 property, a distance of 117.79 feet to a set iron rod for corner;
20 THENCE South $22^{\circ}05'57''$ East, along west line of said property,
21 tangent to said curve, a distance of 73.92 feet to a point for
22 corner;
23 THENCE along west line of said property, with a curve right having a
24 radius of 231.08 feet and a central angle of $15^{\circ}26'09''$ and being
25 subtended by a chord which bears South $14^{\circ}21'12''$ East 62.07 feet;
26 THENCE southerly along said curve, along west line of said
27 property, a distance of 52.26 feet to a set iron rod for corner;

1 THENCE North 88°38'05" East, along south line of said property, with
2 a distance of 15.94 feet to a set iron rod for corner;
3 THENCE South 01°21'55" East, along west line of said property, a
4 distance of 180.00 feet to a set iron rod for corner;
5 THENCE North 88°38'05" East, along south line of said property, a
6 distance of 322.41 feet to the beginning of a curve tangent to said
7 line to a set iron rod for corner;
8 THENCE easterly, along south line of said property, along the curve
9 left, having a radius of 1350.00 feet and a central angle of
10 11°17'25" and being subtended by a chord which bears North 82°59'23"
11 East, 265.59 feet;
12 THENCE easterly and northeasterly a distance of 266.02 feet along
13 the said curve to a set iron rod for corner;
14 THENCE North 77°20'40" East tangent to said curve, a distance of
15 437.24 feet to the beginning of a curve tangent to said line to a set
16 iron rod for corner;
17 THENCE easterly, along south line of said property, with a curve
18 left, having a radius of 1000.00 feet and a central angle of
19 43°44'52" and being subtended by a chord which bears North 55°28'14"
20 East, 745.13 feet;
21 THENCE easterly and northeasterly a distance of 763.54 feet along
22 the said curve to a set iron rod for corner;
23 THENCE North 25°14'30" West, along east line of said property, a
24 distance of 849.17 feet to a found rod nail for corner;
25 THENCE North 58°10'54" East, along the south line of property of Tom
26 Larnon and wife, Crystal Larnon, as described in Volume 924, Page
27 0046. Deed Records of Ellis County, Texas, a distance of 419.44

1 feet to a found 3/4-inch pipe for corner;
2 THENCE North 59°34'27" East, along said south line, a distance of
3 1219.45 feet to a set iron rod for corner;
4 THENCE South 30°11'50" East, along the west line of the fifth and
5 sixth tracts of Bennett W. Cervin, as described in Volume 2001,
6 Page 0749, Deed Records of Ellis County, Texas, a distance of 823.56
7 feet to a set iron rod for corner;
8 THENCE South 30°19'53" East, along said west line of part of the said
9 fifth tract, a distance of 335.08 feet to a set iron rod for corner;
10 THENCE South 59°31'20" West, along the north line of the first tract
11 of Bennett W. Cervin as described in Volume 2001, Page 0749, Deed
12 Records of Ellis County, Texas, a distance of 1739.27 feet to a
13 found 1/2-inch iron rod for corner;
14 THENCE South 59°35'19" West, along north line of said first tract of
15 Bennett W. Cervin as described in Volume 2001, Page 0749, Ellis
16 County, Texas, a distance of 5098.10 feet to a found 3/4-inch iron
17 rod for corner;
18 THENCE South 30°20'14" East, along the west line of the said second
19 tract, a distance of 2453.47 feet to a set iron rod for corner;
20 THENCE South 59°47'54" West, along a north line of tract one of
21 Bennett W. Cervin, as described in Volume 2001, Page 0749 of the
22 Deed Records of Ellis County, Texas, a distance of 2411.12 feet to a
23 set iron rod for corner;
24 THENCE South 30°12'06" East, along a west line of the said tract one,
25 a distance of 596.60 feet to a set iron rod for corner;
26 THENCE South 59°47'49" West, along a north line of said tract one, a
27 distance of 1589.67 feet to a found 1/2-inch iron rod for corner;

1 THENCE North 00°47'39" West, along the Ellis County and Johnson
2 County limits, a distance of 5474.77 feet to the POINT OF BEGINNING
3 and containing 461.176 acres, more or less.

4 (b) There is saved and excepted from the land included
5 within the district, and excluded therefrom, the following tracts:

6 SAVE AND EXCEPT TRACT "A"

7 Property Description

8 Being 7.016-acres (305,615 square feet) of land situated in
9 the Joseph Stewart Survey, Abstract Number 961, Ellis County,
10 Texas, and more particularly that certain 461.178 acre tract
11 conveyed to PRA Prairie Ridge Development Corp., as recorded in
12 Volume 2325, Page 470, Official Public Records, Ellis County,
13 Texas, (O.P.R.E.C.T.), and being further described as follows:

14 COMMENCING at a point at an ell corner of said PRA Prairie
15 Ridge Development Corp. tract and at the Northwest corner of a tract
16 of land to Nita Carol Cervin Miskovitch Trust and Bennett W. Cervin,
17 recorded in Volume 1999, Page 235, O.P.R.E.C.T., from which a found
18 3/4 inch iron pipe bears N 59°35'16" E, 1.92 feet;

19 THENCE N 59°35'16" E, along the South line of said PRA Prairie
20 Ridge Development Corp. tract and the North line of said Cervin
21 tract, a distance of 1,436.81 feet to a set 5/8" iron rod with
22 Transystems cap at the Southwest corner of tract herein described
23 and the POINT OF BEGINNING (N: 6,866,906.023, E: 2,407,278.644
24 Grid);

25 (1) THENCE N 1°15'48" W, along the West line of tract herein
26 described, a distance of 2,037.32 feet to a set PK Nail for the
27 Northwest corner of tract herein described, also being in the

1 centerline of CR 506 (Lakeview Road), a 60 foot Right-of-Way, no
2 deed of record found, and on the South line of a tract of land to
3 Cynthia L. Roe, as recorded in Volume 767, Page 521, D.R.E.C.T.;

4 (2) THENCE N 59°31'17" E, along the North line of tract
5 herein described, the South line of said Roe tract and the
6 centerline of said CR 506, a distance of 171.86 feet to a set PK Nail
7 for the Northeast corner of tract herein described;

8 (3) THENCE S 1°15'48" E, along the East line of tract herein
9 described, a distance of 2,037.55 feet to a set 5/8" iron rod with
10 Transystems cap for the Southeast corner of tract herein described
11 also on the North line of said Cervin tract;

12 (4) THENCE S 59°35'16" W, along the South line of tract
13 herein described and the North line of said Cervin tract, a distance
14 of 64.00 feet to a point, from which a found 5/8 inch iron rod bears
15 S 30°24'17" E, 1.14 feet;

16 (5) THENCE S 59°35'16" W, along the South line of tract
17 herein described and the North line of said Cervin tract, a distance
18 of 107.75 feet to the POINT OF BEGINNING, containing 7.016-acres
19 (305,615 square feet) of land, more or less.

20 SAVE AND EXCEPT TRACT B

21 Property Description

22 Being 2.285-acres (99,535 square feet) of land situated in
23 the Joseph Stewart Survey, Abstract Number 961, Ellis County,
24 Texas, and more particularly that certain 461.178 acre tract
25 conveyed to PRA Prairie Ridge Development Corp., as recorded in
26 Volume 2325, Page 470, Official Public Records, Ellis County,
27 Texas, (O.P.R.E.C.T.), and being further described as follows:

1 COMMENCING at a PK Nail found at the Southwest corner of a
2 tract of land conveyed to Cynthia L. Roe, as recorded in Volume 767,
3 Page 521, D.R.E.C.T.;

4 THENCE N 59°31'17" E, along the South line of said Cynthia L.
5 Roe tract and the North line of said PRA Prairie Ridge Development
6 Corp. tract, also being in the centerline of CR 506 (Lakeview Road),
7 a 60 foot Right-of-Way, no deed of record found, a distance of
8 302.39 feet to a PK Nail set at the Northwest corner of tract herein
9 described and the POINT OF BEGINNING (N: 6,868,884.500, E:
10 2,407,135.005 Grid);

11 (1) THENCE N 59°31'17" E, along the South line of said
12 Cynthia L. Roe tract, on the centerline of said CR 506 (Lakeview
13 Road), the North line of said PRA Prairie Ridge Development Corp.
14 tract, and the North line of tract herein described, a distance of
15 114.57 to a PK Nail set;

16 (2) THENCE S 01°15'48" E, along the East line of tract herein
17 described, a distance of 1,012.01 feet to a set 5/8" iron rod with
18 Transystems cap for the Southeast corner of tract herein described,
19 being on the North line of a 60' Easement and Right-of-Way to Brazos
20 Electric Power Cooperative, Inc., as recorded in Volume 428, Page
21 433, Deed Records, Johnson County Texas;

22 (3) THENCE S 75°59'42" W, along the South line of tract
23 herein described and the North line of said Brazos Electric tract, a
24 distance of 102.52 feet to a set 5/8" iron rod with Transystems cap
25 for the Southwest corner of tract herein described;

26 (4) THENCE N 01°15'48" W, along the West line of tract herein
27 described, a distance of 978.70 feet to the POINT OF BEGINNING,

1 containing 2.285-acres (99,535 square feet) of land, more or less.

2 NOTE: Basis of bearing is the Texas State Plane Coordinate
3 System, North Central Zone (4202), North American Datum 1983 NAD
4 83)(2007) with all distances adjusted to surface by project
5 combined scale factor of 0.9998802448.

6 SECTION 5. (a) The legal notice of the intention to
7 introduce a bill to create the Prairie Ridge Municipal Management
8 District No. 1, setting forth the general substance of Sections 3
9 and 4 of this Act, has been published as provided by law, and the
10 notice and a copy of a bill to create the Prairie Ridge Municipal
11 Management District No. 1 have been furnished to all persons,
12 agencies, officials, or entities to which they are required to be
13 furnished under Section 59, Article XVI, Texas Constitution, and
14 Chapter 313, Government Code.

15 (b) The governor, one of the required recipients, has
16 submitted the notice and a bill to create the Prairie Ridge
17 Municipal Management District No. 1 to the Texas Commission on
18 Environmental Quality.

19 (c) The Texas Commission on Environmental Quality has filed
20 its recommendations relating to a bill to create the Prairie Ridge
21 Municipal Management District No. 1 with the governor, lieutenant
22 governor, and speaker of the house of representatives within the
23 required time.

24 (d) The general law relating to consent by political
25 subdivisions to the creation of districts with conservation,
26 reclamation, and road powers and the inclusion of land in those
27 districts has been complied with.

1 (e) All requirements of the constitution and laws of this
2 state and the rules and procedures of the legislature with respect
3 to the notice, introduction, and passage of this Act have been
4 fulfilled and accomplished.

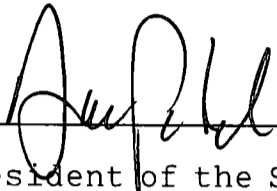
5 SECTION 6. (a) Section 3954.104, Special District Local
6 Laws Code, as added by this Act, takes effect only if this Act
7 receives a two-thirds vote of all the members elected to each house.

8 (b) If this Act does not receive a two-thirds vote of all the
9 members elected to each house, Subchapter C, Chapter 3954, Special
10 District Local Laws Code, as added by this Act, is amended by adding
11 Section 3954.104 to read as follows:

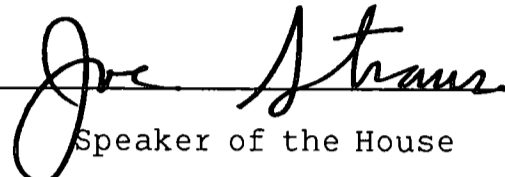
12 Sec. 3954.104. NO EMINENT DOMAIN POWER. The district may
13 not exercise the power of eminent domain.

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

17 SECTION 7. This Act takes effect September 1, 2017.

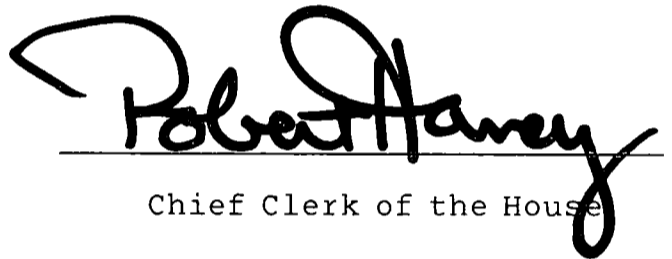


President of the Senate



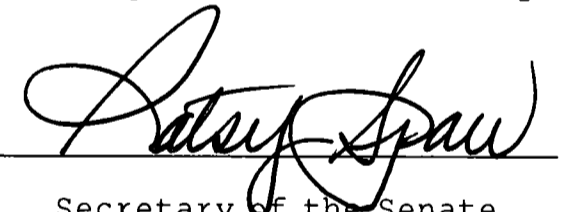
Speaker of the House

I certify that H.B. No. 4303 was passed by the House on May 19, 2017, by the following vote: Yeas 136, Nays 8, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4303 on May 26, 2017, by the following vote: Yeas 129, Nays 15, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 4303 was passed by the Senate, with amendments, on May 24, 2017, by the following vote: Yeas 29, Nays 1, 1 present, not voting.



Secretary of the Senate

APPROVED: _____

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
3:00 PM O'CLOCK

JUN 15 2017


Secretary of State

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 25, 2017

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1 and to the correction of defined terms in the law governing the Joshua Farms Municipal Management District No. 1 and the law governing the Joshua Farms Municipal Management District No. 2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Prairie Ridge Municipal Management District No. 1. The district would have authority for improvement projects and services. The district would have authority to issue bonds and other obligations. The district would have authority to impose an operation and maintenance tax and a contract tax.

The bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1 and to the correction of defined terms in the law governing the Joshua Farms Municipal Management District No. 1 and the law governing the Joshua Farms Municipal Management District No. 2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Prairie Ridge Municipal Management District No. 1. The district would have authority for improvement projects and services. The district would have authority to issue bonds and other obligations. The district would have authority to impose an operation and maintenance tax and a contract tax.

The bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 20, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Prairie Ridge Municipal Management District No. 1. The district would have authority for improvement projects and services. The district would have authority to issue bonds and other obligations. The district would have authority to impose an operation and maintenance tax and a contract tax.

The bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 2, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Prairie Ridge Municipal Management District No. 1. The district would have authority for improvement projects and services. The district would have authority to issue bonds and other obligations. The district would have authority to impose an operation and maintenance tax and a contract tax.

The bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 26, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code establishing the Prairie Ridge Municipal Management District No. 1. The district would have authority for improvement projects and services. The district would have authority to issue bonds and other obligations. The district would have authority to impose an operation and maintenance tax and a contract tax. The district would have limited power of eminent domain.

The bill would take effect immediately if the bill receives a two-thirds vote in each house; otherwise, the bill would take effect September 1, 2017.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: UP, JGA, GG, BM

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 22, 2017

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1 and to the correction of defined terms in the law governing the Joshua Farms Municipal Management District No. 1 and the law governing the Joshua Farms Municipal Management District No. 2; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **Committee Report 2nd House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal utility district under Water Code Chapters 49 and 54.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4303, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Johnson County served by small systems or private wells (County-Other) is 14,888. The Johnson County-Other population projections approved for the 2017 State Water Plan projects the population to be 15,131 in 2020, 14,810 in 2030 and 15,224 in 2040.

The 2010 population estimate for areas of Ellis County served by small systems or private wells (County-Other) is 6,012. The Ellis County-Other population projections approved for the 2017 State Water Plan projects the population to be 6,100 in 2020, 6,500 in 2030 and 7,177 in 2040.

Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Johnson County Real Property Records, Ellis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 1.95 square miles on the northern boundary between Johnson and Ellis County. The proposed district is located south of the Cities of Mansfield and Grand Prairie, and west of the City of Midlothian.

Comments on Powers/Duties Different from Similar Types of Districts: House Committee

Substitute 2 adds language to correct defined terms in laws governing Joshua Farms Municipal Management District No. 1 and Joshua Farms Municipal Management District No. 2; House Committee Substitute 2 amends Special Districts Local Laws Code defining "City" to mean City of Cleburne in Section 3926, and defining "City" to mean City of Burleson in Section 3929; House Committee Substitute 2 removes language pertaining to compensation of directors that limited how much a director may be compensated, and replaces it with language that states a director may receive fees for expenses provide by Section 49.060, Water Code; House Committee Substitute 2 adds language that states eminent domain may not acquire by condemnation a property interest or facility owned or controlled by a public entity.

This bill amends the Special District Local Laws Code by adding Chapter 3954 which creates the Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375 and a standard public improvement district under Local Government Code Chapter 372 with the following specificities; The initial directors shall hold an election to confirm the creation of the District and to elect five permanent directors as provided by Section 49.102, Water Code; Local Government Code Chapter 375, Subchapter B, relating to the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; The District may not provide retail water or sewer services; The board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code; The District may exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code; The bill allows the District to divide; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.164 states that the board may exempt residential property from all or a part of the assessments levied on that property or determine that residential property will not be benefited by the proposed improvement project or services. The bill specifies that this section does not apply to the District; Local Government Code Section 375.207(a) states that a district must obtain approval of the municipality in which it is located for bond issues and plans and specifications for an improvement project before bonds may be issued, and Local Government Code Section 375.207(b) states that instead of approval of bonds by the municipality, a district may obtain approval of a capital improvements budget. The bill specifies that these sections do not apply to the District; Local Government Code Section 375.208 states that a district must obtain approval of the TCEQ if it issues bonds to provide water, sewage, or drainage facilities; The bill specifies that this section does not apply to the District for a bond, note, or other obligation of the District payable from assessments; Local Government Code Section 375.243 states that the board may not call a bond election unless a written petition has been filed with the board requesting an election; The bill specifies that this section does not apply to the District; The City may dissolve the District by ordinance.

If the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - HB 4303 specifies that the district "may not provide retail water or sewer services"

but has limited powers and duties provided by the general law of the state, including "Subchapter J of Chapter 49 Water Code, applicable to management districts created under Section 59, Article XVI, Texas Constitution".

Within Johnson County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Eighty two percent of all the groundwater pumping was for municipal use.

Within Ellis County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Sixty four percent of all the groundwater pumping was for municipal use.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

May 4, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns (Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **Committee Report 1st House, Substituted**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375 and a standard public improvement district under Local Government Code 372.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4303, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Johnson County served by small systems or private wells (County-Other) is 14,888. The Johnson County-Other population projections approved for the 2017 State Water Plan projects the population to be 15,131 in 2020, 14,810 in 2030 and 15,224 in 2040.

The 2010 population estimate for areas of Ellis County served by small systems or private wells (County-Other) is 6,012. The Ellis County-Other population projections approved for the 2017 State Water Plan projects the population to be 6,100 in 2020, 6,500 in 2030 and 7,177 in 2040.

Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Johnson County Real Property Records, Ellis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 1.95 square miles on the northern boundary between Johnson and Ellis County. The proposed district is located south of the Cities of Mansfield and Grand Prairie, and west of the City of Midlothian.

Comments on Powers/Duties Different from Similar Types of Districts: The House Committee Substitute revises language of Special District Local Laws Code by adding language for

requirements of consent of the municipality to hold an election; the House Committee Substitute also adds five names to the Board of Directors to fulfill the positions of initial directors; the House Committee Substitute also removes the language of Subchapter C Powers and Duties that pertained to Public Improvement District powers, and also removes language that prohibited retail water and sewer services; the House Committee Substitute also revises language to the section for Division of District, which describes the prerequisites and procedures for division; the House Committee Substitute also revises language to Subchapter E Taxes and Bonds regarding when issuance of bonds payable by taxes are permitted, specifically pertaining to improvements financed by an obligation and applicability of Subchapter A, Chapter 372.

The initial directors shall hold an election to confirm the creation of the District and to elect five permanent directors as provided by Section 49.102, Water Code; Local Government Code Chapter 375, Subchapter B, relating to the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; the District may not provide retail water or sewer services; the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code; the District may exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code; the bill allows the District to divide; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.164 states that the board may exempt residential property from all or a part of the assessments levied on that property or determine that residential property will not be benefited by the proposed improvement project or services. The bill specifies that this section does not apply to the District; Local Government Code Section 375.207(a) states that a district must obtain approval of the municipality in which it is located for bond issues and plans and specifications for an improvement project before bonds may be issued, and Local Government Code Section 375.207(b) states that instead of approval of bonds by the municipality, a district may obtain approval of a capital improvements budget. The bill specifies that these sections do not apply to the District; Local Government Code Section 375.208 states that a district must obtain approval of the TCEQ if it issues bonds to provide water, sewage, or drainage facilities. The bill specifies that this section does not apply to the District for a bond, note, or other obligation of the District payable from assessments; Local Government Code Section 375.243 states that the board may not call a bond election unless a written petition has been filed with the board requesting an election. The bill specifies that this section does not apply to the District; the City may dissolve the District by ordinance; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - HB 4303 specifies that the district "may not provide retail water or sewer services" but has limited powers and duties provided by the general law of the state, including "Subchapter J of Chapter 49 Water Code, applicable to management districts created under Section 59, Article XVI, Texas Constitution".

Within Johnson County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Eighty two percent of all the groundwater pumping was for municipal use.

Within Ellis County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Sixty four percent of all the groundwater pumping was for municipal use.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: UP, SZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

85TH LEGISLATIVE REGULAR SESSION

April 24, 2017

TO: Honorable Jim Murphy, Chair, House Committee on Special Purpose Districts

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB4303 by Burns.(Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375 and a standard public improvement district under Local Government Code 372.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates. Based on the Original Texas Land Surveys mentioned in HB 4303, staff is unable to determine a population estimate.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Johnson County served by small systems or private wells (County-Other) is 14,888. The Johnson County-Other population projections approved for the 2017 State Water Plan projects the population to be 15,131 in 2020, 14,810 in 2030 and 15,224 in 2040.

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Location - The Proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Johnson County Real Property Records, Ellis County Real Property Records and metes and bounds. Due to the complexity of these boundaries for the various sub areas of the district, staff is able to determine only the general location of the proposed district.

The proposed district's area is approximately 1.95 square miles on the northern boundary between Johnson and Ellis County. The proposed district is located south of the Cities of Mansfield and Grand Prairie, and west of the City of Midlothian.

Comments on Powers/Duties Different from Similar Types of Districts: The initial directors shall hold an election to confirm the creation of the District and to elect five permanent directors as provided by Section 49.102, Water Code; Local Government Code Chapter 375, Subchapter B,

relating to the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; the District may not provide retail water or sewer services; the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code; the District may exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code; the bill allows the District to divide; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.164 states that the board may exempt residential property from all or a part of the assessments levied on that property or determine that residential property will not be benefited by the proposed improvement project or services. The bill specifies that this section does not apply to the District; Local Government Code Section 375.207(a) states that a district must obtain approval of the municipality in which it is located for bond issues and plans and specifications for an improvement project before bonds may be issued, and Local Government Code Section 375.207(b) states that instead of approval of bonds by the municipality, a district may obtain approval of a capital improvements budget. The bill specifies that these sections do not apply to the District; Local Government Code Section 375.208 states that a district must obtain approval of the TCEQ if it issues bonds to provide water, sewage, or drainage facilities. The bill specifies that this section does not apply to the District for a bond, note, or other obligation of the District payable from assessments; Local Government Code Section 375.243 states that the board may not call a bond election unless a written petition has been filed with the board requesting an election. The bill specifies that this section does not apply to the District; the City may dissolve the District by ordinance; if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - HB 4303 specifies that the district "may not provide retail water or sewer services" but has limited powers and duties provided by the general law of the state, including "Subchapter J of Chapter 49 Water Code, applicable to management districts created under Section 59, Article XVI, Texas Constitution".

Within Johnson County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Eighty two percent of all the groundwater pumping was for municipal use.

Within Ellis County, 31 percent of the total water use was groundwater (Trinity Aquifer) in 2014. Sixty four percent of all the groundwater pumping was for municipal use.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: UP, SZ

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS

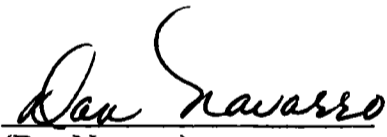
COUNTY OF DALLAS

Before me, a Notary Public in and for Dallas County, this day personally appeared Dan Navarro, Advertising Representative for The Dallas Morning News, being duly sworn by oath, states the attached advertisement of

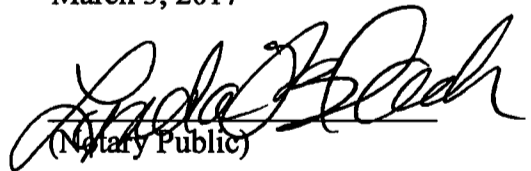
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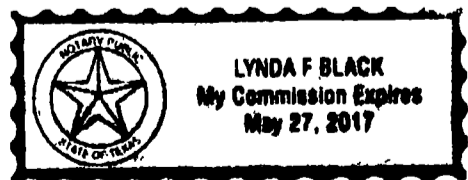
was published in The Dallas Morning News

March 3, 2017


(Dan Navarro)

Sworn to and subscribed before me this March 3, 2017


(Notary Public)



Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 4, 2017

The Honorable Joe Straus
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

House Bill (HB) 4303, as Filed by Representative DeWayne Burns - Relating to the creation of the Prairie Ridge Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes; granting a limited power of eminent domain.

Dear Speaker Straus:

The following comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

A handwritten signature in black ink that reads "Cari-Michel LaCaille".

Cari-Michel LaCaille, Director
Water Supply Division

cc: Honorable Jim Murphy, Chairman, House Special Purpose Districts Committee
Representative DeWayne Burns, Texas House of Representatives

Enclosure

**HB 4303, as Filed by Representative DeWayne Burns
Texas Commission on Environmental Quality's Comments**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill amends the Special District Local Laws Code by adding Chapter 3954 which creates the Prairie Ridge Municipal Management District No. 1 (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375 and a standard public improvement district under Local Government Code Chapter 372 with the following specificities.

Comments on Powers/Duties Different from Similar Types of Districts: The initial directors shall hold an election to confirm the creation of the District and to elect five permanent directors as provided by Section 49.102, Water Code; Local Government Code Chapter 375, Subchapter B, relating to the creation of a district, and Subchapter O, relating to defense adjustment management authority, do not apply to the District; the District may not provide retail water or sewer services; the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code; the District may exercise the power of eminent domain in the manner and for the purposes provided by Section 49.222, Water Code; the bill allows the District to divide; Local Government Code Section 375.161 states that an MMD may not impose an impact fee, assessment, tax, or other requirement for payment, construction, alteration, or dedication under this chapter on single-family detached residential property, duplexes, triplexes, and fourplexes. The bill specifies that this section does not apply to the District; Local Government Code Section 375.164 states that the board may exempt residential property from all or a part of the assessments levied on that property or determine that residential property will not be benefited by the proposed improvement project or services. The bill specifies that this section does not apply to the District; Local Government Code Section 375.207(a) states that a district must obtain approval of the municipality in which it is located for bond issues and plans and specifications for an improvement project before bonds may be issued, and Local Government Code Section 375.207(b) states that instead of approval of bonds by the municipality, a district may obtain approval of a capital improvements budget. The bill specifies that these sections do not apply to

the District; Local Government Code Section 375.208 states that a district must obtain approval of the TCEQ if it issues bonds to provide water, sewage, or drainage facilities. The bill specifies that this section does not apply to the District for a bond, note, or other obligation of the District payable from assessments; Local Government Code Section 375.243 states that the board may not call a bond election unless a written petition has been filed with the board requesting an election. The bill specifies that this section does not apply to the District; the City may dissolve the District by ordinance; and, if the bill does not receive a two-thirds vote of all members elected to each house, the District may not exercise the power of eminent domain.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS

HB 4303

Bill Number

TO: The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

4/4/2017

Date transmitted to
Governor's Office



Chief Clerk
House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to conservation and reclamation district and a copy of the notice of intention to introduce the bill.

April 7, 2017

Date transmitted to
Texas Commission on Environmental Quality



Governor

TO: The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.



Texas Commission on Environmental Quality



85R HB 04303