

AN ACT

relating to the creation of the Timber Springs Municipal Management District; providing authority to impose a tax, levy an assessment, and issue bonds.

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 3897 to read as follows:

CHAPTER 3897. TIMBER SPRINGS MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3897.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Timber Springs Municipal Management District.

(4) "Improvement project" means a project authorized by Subchapter C-1.

Sec. 3897.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3897.003. PURPOSE; LEGISLATIVE FINDINGS. (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. By creating the district and in authorizing a

1 municipality in which the district is located and other political  
2 subdivisions to contract with the district, the legislature has  
3 established a program to accomplish the public purposes set out in  
4 Section 52-a, Article III, Texas Constitution.

5 (b) 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 (c) This chapter and the creation of the district may not be  
11 interpreted to relieve a municipality or county in which the  
12 district is located from providing the level of services provided  
13 as of the effective date of the Act enacting this chapter to the  
14 area in the district. The district is created to supplement and not  
15 to supplant municipal and county services provided in the district.

16 Sec. 3897.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

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

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

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

27 (2) eliminating unemployment and underemployment;

1           (3) providing quality residential housing; and  
2           (4) 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 residential community and business  
11 center; and

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

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

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

24           Sec. 3897.005. DISTRICT TERRITORY. (a) The district is  
25 composed of the territory described by Section 2 of the Act enacting  
26 this chapter, as that territory may have been modified under  
27 Section 3897.115 or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;

(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;

(3) the district's right to impose or collect an assessment, tax, or any other revenue; or

(4) the legality or operation of the board.

Sec. 3897.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

(1) a tax increment reinvestment zone created by a municipality in which the district is located under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created by a municipality in which the district is located under Chapter 312, Tax Code;

(3) an enterprise zone created by a municipality in which the district is located under Chapter 2303, Government Code; or

(4) an industrial zone created by a municipality in which the district is located under Chapter 42, Local Government Code.

(b) If a municipality in which the district is located

1 creates a tax increment reinvestment zone described by Subsection  
2 (a), the municipality and the board of directors of the zone, by  
3 contract with the district, may grant money deposited in the tax  
4 increment fund to the district to be used by the district for the  
5 purposes permitted for money granted to a corporation under Section  
6 380.002(b), Local Government Code, including the right to pledge  
7 the money as security for any bonds issued by the district for an  
8 improvement project.

9 [Sections 3897.007-3897.050 reserved for expansion]

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 3897.051. GOVERNING BODY; TERMS. The district is  
12 governed by a board of five directors who serve staggered terms of  
13 four years, with two or three directors' terms expiring May 31 of  
14 each even-numbered year.

15 Sec. 3897.052. ELECTION DATE. The board shall hold an  
16 election for directors on the uniform election date in May in  
17 even-numbered years.

18 Sec. 3897.053. ELIGIBILITY. (a) To be qualified to serve  
19 as a director, a person must be:

20 (1) an owner of real property in the district; or

21 (2) an employee of a person described by Subdivision

22 (1).

23 (b) Section 49.052, Water Code, does not apply to the  
24 district.

25 Sec. 3897.054. VACANCY. (a) The remaining directors shall  
26 fill a vacancy on the board by appointing a person who meets the  
27 qualifications prescribed by Section 3897.053.

(b) If there are fewer than three directors, the governing body of the largest municipality in which the district is located shall appoint the necessary number of directors to fill all board vacancies.

Sec. 3897.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3897.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. (a) The district may compensate each director in an amount not to exceed \$50 for each board meeting. The total amount of compensation a director may receive each year may not exceed \$2,000.

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

Sec. 3897.058. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>Charles F. Jordan</u>
<u>2</u>	<u>Darren Woody</u>
<u>3</u>	<u>Rob Hutchison</u>
<u>4</u>	<u>Joe Geer</u>
<u>5</u>	<u>Nick Craig</u>

(b) Of the initial directors, the terms of directors

appointed for positions 1 and 2 expire May 31, 2012, and the terms of directors appointed for positions 3 through 5 expire May 31, 2014.

(c) This section expires September 1, 2014.

[Sections 3897.059-3897.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3897.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3897.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter, including a project described by Subchapter C-1, or under Chapter 375, Local Government Code.

Sec. 3897.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a project under that chapter.

Sec. 3897.104. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or

1 providing a service authorized by this chapter.

2 (b) The nonprofit corporation:

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

6 (2) may implement any project and provide any service  
7 authorized by this chapter.

8 (c) The board shall appoint the board of directors of the  
9 nonprofit corporation. The board of directors of the nonprofit  
10 corporation shall serve in the same manner as the board of directors  
11 of a local government corporation created under Subchapter D,  
12 Chapter 431, Transportation Code, except that a board member is not  
13 required to reside in the district.

14 Sec. 3897.105. AGREEMENTS; GRANTS. (a) As provided by  
15 Chapter 375, Local Government Code, the district may make an  
16 agreement with or accept a gift, grant, or loan from any person.

17 (b) The implementation of a project is a governmental  
18 function or service for the purposes of Chapter 791, Government  
19 Code.

20 Sec. 3897.106. LAW ENFORCEMENT SERVICES. To protect the  
21 public interest, the district may contract with a qualified party,  
22 including a county or a city, to provide law enforcement services in  
23 the district for a fee.

24 Sec. 3897.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The  
25 district may join and pay dues to a charitable or nonprofit  
26 organization that performs a service or provides an activity  
27 consistent with the furtherance of a district purpose.



1        Sec. 3897.108. ECONOMIC DEVELOPMENT. (a) The district may  
2 engage in activities that accomplish the economic development  
3 purposes of the district.

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

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

9                (2) provide district personnel and services.

10        (c) The district may create economic development programs  
11 and exercise the economic development powers that:

12                (1) Chapter 380, Local Government Code, provides to a  
13 municipality; and

14                (2) Subchapter A, Chapter 1509, Government Code,  
15 provides to a municipality.

16        Sec. 3897.109. WATER DISTRICT POWERS. The district has the  
17 powers provided by the general laws relating to conservation and  
18 reclamation districts created under Section 59, Article XVI, Texas  
19 Constitution, including Chapters 49 and 54, Water Code.

20        Sec. 3897.110. ROAD DISTRICT POWERS; EXCEPTION.

21 (a) Except as provided by Subsection (b) and Section 3897.117, the  
22 district has the powers provided by the general laws relating to  
23 road districts and road utility districts created under Section  
24 52(b), Article III, Texas Constitution, including Chapter 441,  
25 Transportation Code.

26        (b) The district may exercise any power granted by this  
27 chapter and by Chapter 441, Transportation Code, without regard to

1 any provision or requirement of, or procedure or maintenance tax  
2 rate limitation prescribed by, Chapter 441, Transportation Code.

3 Sec. 3897.111. CONFLICT WITH MUNICIPAL RULE, ORDER, OR  
4 ORDINANCE. To the extent a district rule conflicts with a rule,  
5 order, or ordinance of a municipality in which the district is  
6 located, the municipal rule, order, or ordinance controls.

7 Sec. 3897.112. NAME CHANGE. The board by resolution may  
8 change the district's name. The board shall give written notice of  
9 the change to each municipality in which the district is located.

10 Sec. 3897.113. TERMS OF EMPLOYMENT; COMPENSATION. The  
11 board may employ and establish the terms of employment and  
12 compensation of an executive director or general manager and any  
13 other district employees the board considers necessary.

14 Sec. 3897.114. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR  
15 FACILITY OF DISTRICT. (a) The board by rule may regulate the  
16 private use of a public roadway, open space, park, sidewalk, or  
17 similar public area or facility in the district. A rule may provide  
18 for the safe and orderly use of public roadways, open spaces, parks,  
19 sidewalks, and similar public areas or facilities.

20 (b) The board may require a permit for a parade,  
21 demonstration, celebration, entertainment event, or similar  
22 nongovernmental activity in or on a public roadway, open space,  
23 park, sidewalk, or similar public area or facility owned by the  
24 district. The board may charge a fee for the permit application or  
25 for public safety or security services for those facilities in an  
26 amount the board considers necessary.

27 (c) The board may require a permit or franchise agreement

with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Sec. 3897.115. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

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

(A) the governing body of the municipality in which the territory is located, as applicable; and

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

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

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Sec. 3897.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3897.117. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

[Sections 3897.118-3897.150 reserved for expansion]

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3897.151. MUNICIPAL REQUIREMENTS. (a) An

improvement project in a municipality must comply with any applicable municipal requirements, including codes and ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the municipality's streets, highways, rights-of-way, or easements without the consent of the governing body of that municipality.

Sec. 3897.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project to be necessary to accomplish a public purpose of the district.

Sec. 3897.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Sec. 3897.154. LAKE. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake includes work done for drainage, reclamation, or recreation.

Sec. 3897.155. WATER. (a) An improvement project may include a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility.

(b) The district may plan, design, construct, improve, maintain, or operate a water or sewer facility under this section.

Sec. 3897.156. ROADS. An improvement project may include a paved, macadamized, or graveled road or street inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution.

Sec. 3897.157. STORM WATER. An improvement project may include protection and improvement of the quality of storm water

1 that flows through the district.

2       Sec. 3897.158. PARKING OR HELIPORT. An improvement project  
3 may include the planning, design, construction, improvement,  
4 maintenance, and operation of an off-street parking facility or  
5 heliport.

6       Sec. 3897.159. EDUCATION AND CULTURE. An improvement  
7 project may include the planning and acquisition of:

8           (1) public art and sculpture and related exhibits and  
9 facilities; or

10          (2) an educational facility and a cultural exhibit or  
11 facility.

12       Sec. 3897.160. CONVENTION CENTER. An improvement project  
13 may include the planning, design, construction, acquisition,  
14 lease, rental, improvement, maintenance, installation, and  
15 management of and provision of furnishings for a facility for:

16           (1) a conference, convention, or exhibition;

17           (2) a manufacturer, consumer, or trade show;

18           (3) a civic, community, or institutional event; or

19           (4) an exhibit, display, attraction, special event, or  
20 seasonal or cultural celebration or holiday.

21       Sec. 3897.161. DEMOLITION. An improvement project may  
22 include the removal, razing, demolition, or clearing of land or  
23 improvements in connection with an improvement project.

24       Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An  
25 improvement project may include the acquisition and improvement of  
26 land or other property for the mitigation of the environmental  
27 effects of an improvement project.

1       Sec. 3897.163. ACQUISITION OF PROPERTY. If the governing  
2 body of the municipality where the improvement project is located  
3 consents, an improvement project may include the acquisition of  
4 property or an interest in property in connection with an  
5 improvement project, including a project authorized by Subchapter  
6 A, Chapter 372, Local Government Code.

7       Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An  
8 improvement project may include a special or supplemental service  
9 for the improvement and promotion of the district or an area  
10 adjacent to the district or for the protection of public health and  
11 safety in or adjacent to the district, including:

- 12           (1) advertising;  
13           (2) promotion;  
14           (3) tourism;  
15           (4) health and sanitation;  
16           (5) public safety;  
17           (6) security;  
18           (7) fire protection or emergency medical services;  
19           (8) business recruitment;  
20           (9) development;  
21           (10) the elimination of traffic congestion; and  
22           (11) recreational, educational, or cultural  
23 improvements, enhancements, and services.

24       Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND  
25 MAINTENANCE. An improvement project may include the planning,  
26 design, construction, improvement, and maintenance of:

- 27           (1) landscaping;

(2) highway right-of-way or transit corridor beautification and improvement;

(3) lighting, banners, and signs;

(4) a street or sidewalk;

(5) a hiking and cycling path or trail;

(6) a pedestrian walkway, skywalk, crosswalk, or tunnel;

(7) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;

(8) a fountain, plaza, or pedestrian mall; or

(9) a drainage or storm water detention improvement.

Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

[Sections 3897.167-3897.200 reserved for expansion]

#### SUBCHAPTER C-2. CONTRACTS

Sec. 3897.201. GENERAL CONTRACT POWERS. The district may contract with any person, including a municipality or county in which the district is located, to accomplish any district purpose.

Sec. 3897.202. CONTRACT TERMS. (a) In this section, "note" includes a bond anticipation note.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to a municipality, a county, or any other person for the payment or reimbursement of any district

costs.

Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Sec. 3897.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.

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

[Sections 3897.205-3897.250 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and each municipality in which the district is located must negotiate and execute a project development agreement regarding the development plans and rules for:

(1) the development and operation of the district; and



1           (2) the financing of improvement projects.

2           Sec. 3897.252. ELECTIONS REGARDING TAXES AND BONDS.

3           (a) The district may issue, without an election, bonds, notes, and  
4           other obligations secured by revenue other than ad valorem taxes.

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

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

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

15           Sec. 3897.253. AUTHORITY TO BORROW MONEY AND TO ISSUE  
16           BONDS. (a) The district may borrow money on terms determined by  
17           the board. Section 375.205, Local Government Code, does not apply  
18           to a loan, line of credit, or other borrowing from a bank or  
19           financial institution secured by revenue other than ad valorem  
20           taxes.

21           (b) The district may issue bonds, notes, or other  
22           obligations payable wholly or partly from ad valorem taxes,  
23           assessments, impact fees, revenue, contract payments, grants, or  
24           other district money, or any combination of those sources of money,  
25           to pay for any authorized district purpose.

26           Sec. 3897.254. ASSESSMENTS. (a) The district may impose  
27           an assessment on property in the district to pay the cost or the

cost of maintenance of any authorized district improvement in the manner provided for:

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

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

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

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

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in

1 the manner required for additional assessments.

2 Sec. 3897.255. PETITION REQUIRED FOR FINANCING SERVICES AND  
3 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
4 service or improvement project with assessments under this chapter  
5 unless a written petition requesting that service or improvement  
6 has been filed with the board.

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

11 Sec. 3897.256. IMPACT FEES; EXEMPTION. (a) The district  
12 may impose an impact fee on property in the district, including an  
13 impact fee on residential or commercial property, only in the  
14 manner provided by Subchapter A, Chapter 372, or Subchapter F,  
15 Chapter 375, Local Government Code, for a municipality or county.

16 (b) An impact fee for residential property must be for the  
17 limited purpose of providing capital funding for:

18 (1) public water and wastewater facilities;

19 (2) drainage and storm water facilities; and

20 (3) streets and alleys.

21 (c) The district may not impose an impact fee on the  
22 property, including equipment and facilities, of a public utility  
23 provider in the district.

24 Sec. 3897.257. STORM WATER USER CHARGES. The district may  
25 establish user charges related to the operation of storm water  
26 facilities, including the regulation of storm water for the  
27 protection of water quality in the district.

1       Sec. 3897.258. NONPOTABLE WATER USER CHARGES. The district  
2 may establish user charges for the use of nonpotable water for  
3 irrigation purposes, subject to approval of the governing body of  
4 the municipality in which the user is located.

5       Sec. 3897.259. COSTS FOR IMPROVEMENT PROJECTS. The  
6 district may undertake separately or jointly with other persons,  
7 including a municipality or county in which the district is  
8 located, all or part of the cost of an improvement project,  
9 including an improvement project:

10           (1) for improving, enhancing, and supporting public  
11 safety and security, fire protection and emergency medical  
12 services, and law enforcement in and adjacent to the district; or

13           (2) that confers a general benefit on the entire  
14 district or a special benefit on a definable part of the district.

15       Sec. 3897.260. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
16 375.161, Local Government Code, does not apply to the district.

17       [Sections 3897.261-3897.300 reserved for expansion]

18           SUBCHAPTER E. TAXES AND BONDS

19       Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may  
20 impose an ad valorem tax on all taxable property in the district,  
21 including industrial, commercial, and residential property, to:

22           (1) pay for an improvement project of the types  
23 authorized by Section 52, Article III, and Section 59, Article XVI,  
24 Texas Constitution; or

25           (2) secure the payment of bonds issued for a purpose  
26 described by Subdivision (1).

27       Sec. 3897.302. TAXES FOR BONDS AND OTHER OBLIGATIONS;

1 ELECTION. (a) If the district issues bond anticipation notes  
2 payable from future bond proceeds that are payable wholly or partly  
3 from an ad valorem tax, the bonds must have been previously approved  
4 at an election and meet the requirements of this section.

5 (b) At the time bonds or other obligations payable wholly or  
6 partly from ad valorem taxes are issued:

7 (1) the board shall impose a continuing direct annual  
8 ad valorem tax, without limit as to rate or amount, for each year  
9 that all or part of the bonds are outstanding; and

10 (2) the district annually shall impose an ad valorem  
11 tax on all taxable property in the district in an amount sufficient  
12 to:

13 (A) pay the interest on the bonds or other  
14 obligations as the interest becomes due;

15 (B) create a sinking fund for the payment of the  
16 principal of the bonds or other obligations when due or the  
17 redemption price at any earlier required redemption date; and

18 (C) pay the expenses of imposing the taxes.

19 (c) Bonds or other obligations that are secured by and  
20 payable from ad valorem taxes may not be issued unless the bonds and  
21 the imposition of the taxes are approved by a majority of the  
22 district voters voting at an election held for that purpose.

23 (d) The district shall hold an election required by this  
24 section in the manner provided by Chapter 54, Water Code, and the  
25 Election Code.

26 Sec. 3897.303. MAINTENANCE AND OPERATION TAX; ELECTION.

27 (a) The district may impose a tax for maintenance and operation

1 purposes, including for:

2 (1) planning, constructing, acquiring, maintaining,  
3 repairing, and operating all improvement projects, including land,  
4 plants, works, facilities, improvements, appliances, and equipment  
5 of the district; and

6 (2) paying costs of services, engineering and legal  
7 fees, and organization and administrative expenses.

8 (b) The district may not impose a maintenance and operation  
9 tax unless the tax is approved by a majority of the district voters  
10 voting at an election held for that purpose. The proposition in a  
11 maintenance and operation tax election may be for a specific  
12 maximum rate or for an unlimited rate. If a maximum tax rate is  
13 approved, the board may impose the tax at any rate that does not  
14 exceed the approved rate.

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

19 Sec. 3897.304. USE OF SURPLUS MAINTENANCE AND OPERATION  
20 MONEY. If the district has maintenance and operation tax money that  
21 is not needed for the purposes for which it was collected, the money  
22 may be used for any authorized purpose.

23 Sec. 3897.305. TAX ABATEMENT. The district may enter into a  
24 tax abatement agreement in accordance with the general laws of this  
25 state authorizing and applicable to a tax abatement agreement by a  
26 municipality.

27 Sec. 3897.306. BONDS AND OTHER OBLIGATIONS; MUNICIPAL

1 APPROVAL. (a) The district by competitive bid or negotiated sale  
2 may issue bonds, notes, or other obligations payable wholly or  
3 partly from ad valorem taxes, future bond proceeds, or assessments  
4 in the manner provided by Subchapter A, Chapter 372, or Subchapter  
5 J, Chapter 375, Local Government Code.

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

12 (c) In addition to the sources of money described by  
13 Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local  
14 Government Code, district bonds may be secured and made payable,  
15 wholly or partly, by a pledge of any part of the money the district  
16 receives from system or improvement revenue or from any other  
17 source, including future bond proceeds.

18 Sec. 3897.307. BOND MATURITY. Bonds may mature not more  
19 than 40 years from their date of issue.

20 [Sections 3897.308-3897.350 reserved for expansion]

21 SUBCHAPTER F. DISSOLUTION

22 Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. The  
23 largest municipality in which the district is located may dissolve  
24 the district by ordinance.

25 Sec. 3897.352. LIMITATION ON DISSOLUTION. The municipality  
26 may not dissolve the district until:

27 (1) the district's outstanding bonds have been repaid

S.B. No. 1184

1 or defeased;

2 (2) the district's outstanding debt or contractual  
3 obligations that are payable from ad valorem taxes have been repaid  
4 or discharged; and

5 (3) each agreement under Section 3897.251 has been  
6 executed and the district's performance under the agreement has  
7 been fulfilled, including any right or obligation the district has  
8 to reimburse a developer or owner for the costs of improvement  
9 projects.

10 Sec. 3897.353. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

11 (a) If the dissolved district has obligations, other than bonds,  
12 outstanding secured by and payable from assessments or other  
13 revenue, other than ad valorem taxes, the municipality in which the  
14 project that generated the revenue is located shall succeed to the  
15 rights and obligations of the district regarding enforcement and  
16 collection of the assessments or other revenue.

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

20 (1) the obligations when due and payable according to  
21 their terms; or

22 (2) special revenue or assessment bonds or other  
23 obligations issued by the municipality to refund the outstanding  
24 obligations.

25 Sec. 3897.354. ASSUMPTION OF ASSETS AND LIABILITIES.

26 (a) After the municipality dissolves the district, the  
27 municipality assumes the obligations of the district, including any



1 debt payable from assessments or other district revenue.

2       **(b)** If the municipality dissolves the district, the board  
3 shall transfer ownership of all district property to the  
4 municipality in which the property is located, or if the property is  
5 not located in a municipality, to the county in which the property  
6 is located.

7       SECTION 2. The district shall include the following land,  
8 described by metes and bounds as follows:

9       All that certain tract or parcel of land lying and being  
10 situate in the City of Nacogdoches, Nacogdoches County, Texas on  
11 the SAMUEL MARSHALL SURVEY, A-365, being part of a 98.4 acre tract  
12 described as 1st Tract of Second Tract, part of a 34.1 acre tract  
13 described as Third Tract, part of a 7.111 acre tract described as  
14 Fifth Tract, and part of a 13.592 acre tract described as Seventh  
15 Tract in a deed from C.S. Jones, et ux, to Lone Star Breeder Farm,  
16 Inc., dated January 24, 1958, recorded in Volume 272, Page 359 of  
17 the DRNCT, and part of a 240.7 acre tract described as First Tract  
18 in a deed from Christian Medical Foundation, Inc., to Lone Star  
19 Breeder Farm, Inc., recorded in Volume 334, Page 122 of the DRNCT,  
20 and more particularly described as follows:

21       BEGINNING at a 1-1/2" iron pipe found at the base of a fence  
22 corner post for the SWC of the Kenbrook North Addition, recorded in  
23 Volume 3, Page 5-7 of the Plat Records of Nacogdoches County, Texas  
24 (PRNCT), the NWC of the 13.592 acre tract, and in the EBL of the 98.4  
25 acre tract;

26       THENCE N 86°12'34" E (called N 86°45' E in 272/359 and N  
27 89°36'53" E in 3/5-7 PRNCT) with the NBL of the 13.592 acre tract and

S.B. No. 1184

1 the SBL of Kenbrook North Addition, at 286.9 feet pass a point 1.7  
2 feet south of a 3/4" iron rod found, at 406.6 feet pass a point 0.3  
3 feet north of a 1/2" iron rod found, at 525.6 feet pass a point 1.4  
4 feet south of a 3/4" iron rod found, at 766.6 feet pass a point 1.0  
5 feet south of a 3/4" iron pipe found, at 886.6 feet pass a point 0.5  
6 feet south of a 5/8" iron rod found, and in all 992.29 feet (called  
7 1119.4' in 272/359 and 994.65' in 3/5-7 PRNCT) to a 2" iron pipe  
8 found for angle corner in the SBL of Kenbrook North Addition, the  
9 occupied NEC of the 13.592 acre tract, the NWC of a 11.3 acre tract  
10 described as Tract Two in a deed from Texas Service Life Insurance  
11 Company to Lyle Thorstenson, et ux, dated November 4, 1992,  
12 recorded in Volume 828, Page 30 of the DRNCT;

13       THENCE S 06°42'53" W (called S 10° W in 272/359 and S 11° W in  
14 828/30) with the occupied EBL of the 13.592 acre tract and the WBL  
15 of the 11.3 acre tract, at 362.61 feet pass a 3/8" iron rod found for  
16 the SWC of the 11.3 acre tract and the NWC of a 10.39 acre tract  
17 described in a deed from Tom Jones to Charles Logan, et ux, dated  
18 July 22, 1966, recorded in Volume 337, Page 372 of the DRNCT, and in  
19 all 382.11 feet to a point for corner in the centerline of a branch  
20 and the WBL of the 10.39 acre tract;

21       THENCE with the meanders of the centerline of said branch as  
22 follows:

- 23       1. S 82°09'36" W, 50.72 feet; 2. S 48°54'39" W, 35.18 feet;  
24       3. S 34°22'24" W, 29.53 feet; 4. S 74°58'24" W, 18.52 feet;  
25       5. S 49°38'26" W, 43.35 feet; 6. S 00°39'30" W, 39.58 feet;  
26       7. S 55°24'09" W, 48.03 feet; 8. S 04°28'22" W, 45.81 feet;  
27       9. S 56°30'54" W, 15.88 feet; 10. N 69°22'31" W, 46.25 feet;

S.B. No. 1184

1 11. S 55°31'51" W, 61.21 feet; 12. S 70°31'12" W, 100.13 feet;  
2 13. S 85°50'02" W, 34.33 feet; 14. N 58°03'58" W, 51.81 feet;  
3 15. S 79°38'09" W, 59.16 feet; 16. N 79°34'50" W, 57.07 feet;  
4 17. N 62°50'24" W, 44.62 feet; 18. N 70°59'09" W, 29.20 feet;  
5 19. N 46°17'24" W, 22.76 feet; 20. S 46°05'11" W, 106.77 feet;  
6 21. N 52°48'49" W, 76.41 feet; 22. N 24°49'49" W, 32.59 feet;  
7 23. N 68°46'25" W, 89.22 feet; 24. N 55°51'25" W, 44.31 feet;  
8 25. N 60°43'07" W, 63.64 feet; 26. N 83°43'02" W, 76.64 feet;  
9 27. N 39°08'20" W, 45.76 feet; 28. S 64°00'08" W, 55.43 feet;  
10 29. S 78°15'18" W, 51.35 feet; 30. N 65°17'01" W, 40.20 feet;  
11 31. N 51°25'37" W, 34.71 feet; 32. S 53°55'17" W, 95.66 feet;  
12 33. S 64°46'48" W, 56.59 feet; 34. S 78°49'38" W, 60.02 feet;  
13 35. N 84°08'55" W, 71.77 feet; 36. N 40°23'53" W, 27.74 feet;  
14 37. N 60°00'50" W, 58.49 feet; 38. S 89°23'46" W, 38.39 feet;  
15 39. S 51°47'35" W, 33.00 feet; 40. S 83°31'21" W, 29.43 feet;  
16 41. S 41°10'09" W, 14.48 feet; 42. S 83°39'36" W, 22.67 feet;  
17 43. N 20°02'08" W, 16.80 feet; 44. N 08°24'01" W, 14.46 feet;  
18 45. N 65°25'57" W, 53.59 feet; 46. N 38°34'52" W, 33.98 feet;  
19 47. N 76°14'16" W, 54.42 feet; 48. N 81°16'42" W, 44.12 feet;  
20 49. N 60°00'12" W, 99.63 feet; 50. N 72°59'23" W, 68.62 feet;  
21 51. N 68°45'56" W, 80.15 feet; 52. N 43°13'00" E, 40.35 feet;  
22 53. N 78°25'21" W, 49.93 feet; 54. N 59°59'25" W, 60.28 feet;  
23 55. N 49°49'20" W, 69.27 feet; 56. N 69°07'16" W, 53.13 feet  
24 to a point for corner in the EBL of Lot 2, University Park  
25 Subdivision, recorded in Volume 5, Page 33 of the PRNCT, from which  
26 a 1/2" iron rod found for witness bears N 01°12'28" E, 30.00 feet;  
27 THENCE N 01°12'28" E, 140.44 feet (called N 04°39'37" E in 5/33

1 PRNCT) with the EBL of Lot 2 to a 1" iron pipe found for corner, from  
2 which a Tallow snag bears S 54° W, 2.0 feet;

3 THENCE N 88°44'28" W (called N 85°23'52" W in 5/33 PRNCT),  
4 75.00 feet with the NBL of Lot 2 to a 1/2" iron rod found for corner;

5 THENCE N 01°10'22" E, 345.85 feet to a 1/2" iron rod set for  
6 corner in the SBL of a 4.145 acre tract described in a deed from Lone  
7 Star Breeder Farm, Inc., to the City of Nacogdoches, dated July 16,  
8 2007, recorded in Volume 2693, Page 177 of the DRNCT, said 4.145  
9 acre tract being the right-of-way for Maroney Drive;

10 THENCE with the SBL of the 4.145 acre tract as follows:

11 1. S 88°49'38" E, 189.84 feet to a 1/2" iron rod set for  
12 corner;

13 2. Northeasterly, 399.38 feet with a tangent curve to the  
14 left having a radius of 527.35 feet, a central angle of 43°23'31",  
15 and a chord of N 69°28'36" E, 389.90 feet to a 1/2" iron rod set for  
16 corner;

17 3. N 86°47'25" E, 25.99 feet to a 1/2" iron rod set for  
18 corner;

19 4. N 41°47'25" E, 73.31 feet to a 1/2" iron rod set for  
20 corner;

21 5. N 03°12'35" W, 21.92 feet to a 1/2" iron rod set for  
22 corner;

23 6. N 41°47'25" E, 151.81 feet to a 1/2" iron rod found for  
24 corner;

25 7. Northeasterly, 388.82 feet with a tangent curve to the  
26 right, having a radius of 472.65 feet, a central angle of 47°08'02",  
27 and a chord of N 65°21'26" E, 377.95 feet to a 1/2" iron rod found

1 for corner;

2       8. N 88°55'28" E, 37.19 feet to a 1/2" iron rod set for  
3 corner;

4       9. S 46°04'33" E, 21.92 feet to a 1/2" iron rod set for  
5 corner;

6       10. N 88°55'28" E, 73.31 feet to a 1/2" iron rod set for  
7 corner;

8       11. N 43°55'27" E, 21.92 feet to a 1/2" iron rod set for  
9 corner;

10       12. N 88°55'28" E, at 296.5 feet pass a wire fence, and in all  
11 304.32 feet to an "X" found chiseled in a concrete drive at the most  
12 easterly SEC of the 4.145 acre tract, in the WBL of Kenbrook North  
13 Addition and the EBL of the 240.7 acre tract;

14       THENCE S 07°05'37" W (called S 10° W), at 141.3 feet pass a  
15 point 1.1 feet east of a 3/8" iron rod, at 240.2 feet pass a point  
16 0.6 feet east of a 1/2" iron rod, at 360.2 feet pass a point 0.7 feet  
17 east of a 1/2" pipe, and in all 876.83 feet to the place of BEGINNING  
18 containing within these calls 44.34 acres.

19       SECTION 3. This Act takes effect immediately if it receives  
20 a vote of two-thirds of all the members elected to each house, as  
21 provided by Section 39, Article III, Texas Constitution. If this  
22 Act does not receive the vote necessary for immediate effect, this  
23 Act takes effect September 1, 2011.

S.B. No. 1184

David Dewhurst  
President of the Senate

Joe Straus  
Speaker of the House

I hereby certify that S.B. No. 1184 passed the Senate on May 4, 2011, by the following vote: Yeas 31, Nays 0.

Betsy Spaw  
Secretary of the Senate

I hereby certify that S.B. No. 1184 passed the House on May 19, 2011, by the following vote: Yeas 148, Nays 0, one present not voting.

Robert Haney  
Chief Clerk of the House

Approved:

17 JUN '11  
Date

RICK PERRY  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4:00 PM O'CLOCK

JUN 17 2011  
John R. ...  
Secretary of State