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4 By: \_\_\_\_\_

H.B. No. \_\_\_\_\_

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A BILL TO BE ENTITLED

8

AN ACT

9 relating to the creation of the Old Celina Municipal Management  
10 District No. 1; providing authority to levy an assessment and  
11 issue bonds.

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

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

15 CHAPTER \_\_\_\_ . OLD CELINA MUNICIPAL MANAGEMENT DISTRICT NO. 1

16 SUBCHAPTER A. GENERAL PROVISIONS

17 Sec. \_\_\_\_ .001. DEFINITIONS. In this chapter:

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

19 (2) "City" means the City of Celina, Texas.

20 (3) "County" means Collin County, Texas.

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

22 (5) "District" means the Old Celina Municipal  
23 Management District No. 1.

24 Sec. \_\_\_\_ .002. CREATION AND NATURE OF DISTRICT. The  
25 district is a special district created under Sections 52 and 52-  
26 a, Article III, and Section 59, Article XVI, Texas Constitution.

27 Sec. \_\_\_\_ .003. PURPOSE; LEGISLATIVE FINDINGS. (a) The

28 creation of the district is essential to accomplish the purposes  
29 of Sections 52 and 52-a, Article III, and Section 59, Article  
30 XVI, Texas Constitution, and other public purposes stated in  
31 this chapter. By creating the district and in authorizing the  
32 city and other political subdivisions to contract with the  
33 district, the legislature has established a program to  
34 accomplish the public purposes set out in Section 52-a, Article  
35 III, Texas Constitution.

36 (b) The creation of the district is necessary to promote,  
37 develop, encourage, and maintain employment, commerce,  
38 transportation, housing, tourism, recreation, the arts,  
39 entertainment, economic development, safety, and the public  
40 welfare in the district.

41 (c) This chapter and the creation of the district may not  
42 be interpreted to relieve the city or county from providing the  
43 level of services provided to the area in the district as of the  
44 effective date of the Act enacting this chapter. The district  
45 is created to supplement and not to supplant the city and county  
46 services provided in the district.

47 Sec. \_\_\_\_\_.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

49 (b) All land and other property included in the district  
50 will benefit from the improvements and services to be provided

51 by the district under powers conferred by Sections 52 and 52-a,  
52 Article III, and Section 59, Article XVI, Texas Constitution,  
53 and other powers granted under this chapter.

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

58 (d) The creation of the district is in the public interest  
59 and is essential to:

60 (1) further the public purposes of developing and  
61 diversifying the economy of the state;

62 (2) eliminate unemployment and underemployment; and

63 (3) develop or expand transportation and commerce.

64 (e) The district will:

65 (1) promote the health, safety, and general welfare  
66 of residents, employers, potential employees, employees,  
67 visitors, and consumers in the district, and of the public;

68 (2) provide needed funding for the district to  
69 preserve, maintain, and enhance the economic health and vitality  
70 of the district territory as a community and business center;  
71 and

72 (3) promote the health, safety, welfare, and  
73 enjoyment of the public by providing pedestrian ways and by

74 landscaping and developing certain areas in the district, which  
75 are necessary for the restoration, preservation, and enhancement  
76 of scenic beauty.

77 (f) Pedestrian ways along or across a street, whether at  
78 grade or above or below the surface, and street lighting, street  
79 landscaping, parking, and street art objects are parts of and  
80 necessary components of a street and are considered to be a  
81 street or road improvement.

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

85 Sec. \_\_\_\_\_.005. INITIAL DISTRICT TERRITORY. (a) The  
86 district is initially composed of the territory described by  
87 Section 2 of the Act enacting this chapter.

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

92 (1) organization, existence, or validity;

93 (2) right to contract;

94 (3) authority to borrow money or issue bonds or other  
95 obligations described by Section \_\_\_\_\_.253 or to pay the  
96 principal and interest of the bonds or other obligations;

97           (4) right to impose or collect an assessment, or  
98 collect other revenue; or

99           (5) legality or operation.

100        Sec. \_\_\_\_\_.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

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

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

105           (2) a tax abatement reinvestment zone created under  
106 Chapter 312, Tax Code; or

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

109        (b) If the city creates a tax increment reinvestment zone  
110 described by Subsection (a), the city and the board of directors  
111 of the zone, by contract with the district, may grant money  
112 deposited in the tax increment fund to the district to be used  
113 by the district for:

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

116           (2) any other district purpose, including the right  
117 to pledge the money as security for any bonds or other  
118 obligations issued by the district under Section \_\_\_\_\_.253.

119        (c) If the city creates a tax increment reinvestment zone

120 described by Subsection (a), the city may determine the  
121 percentage of property in the zone that may be used for  
122 residential purposes and is not subject to the limitations  
123 provided by Section 311.006, Tax Code.

124 Sec. \_\_\_\_\_.007. APPLICABILITY OF MUNICIPAL MANAGEMENT  
125 DISTRICT LAW. Except as provided by this chapter, Chapter 375,  
126 Local Government Code, applies to the district. To the extent  
127 of a conflict between this chapter and Chapter 375, Local  
128 Government Code, this chapter shall control.

129 Sec. \_\_\_\_\_.008. LIBERAL CONSTRUCTION OF CHAPTER. This  
130 chapter shall be liberally construed in conformity with the  
131 findings and purposes stated in this chapter.

132 Sec. \_\_\_\_\_.009. APPROVAL OR CONSENT OF THE CITY. (a) No  
133 other statutes that govern obtaining approval or consent of the  
134 city that is requested or required to be obtained by the  
135 district or any district governed by Chapter 54 of the Water  
136 Code and/or Chapter 375 of the Local Government Code for adding,  
137 annexing or excluding land or dividing the district shall apply  
138 to the city, including but not limited to Section 54.016 of the  
139 Water Code and Section 42.042 of the Local Government Code.

140 (b) Any approval or consent that is requested or required to be  
141 obtained from the governing body of the city by the district or  
142 any district governed by Chapter 54 of the Water Code and/or

143 Chapter 375 of the Local Government Code shall be obtained upon  
144 approval of a resolution or ordinance consenting to the desired  
145 action by such district by the majority of the full governing  
146 body.

147 [Sections \_\_\_\_\_.010-\_\_\_\_\_.050 reserved for expansion]

148 SUBCHAPTER B. BOARD OF DIRECTORS

149 Sec. \_\_\_\_\_.051. GOVERNING BODY; TERMS. (a) The district  
150 is governed by a board of five directors composed of:

151 (1) three directors appointed by the governing body  
152 of the city;

153 (2) the city manager; and

154 (3) the city's chief financial officer.

155 (b) An appointed director serves a term of four years.

156 Sec. \_\_\_\_\_.052. QUALIFICATIONS OF DIRECTOR. (a) Section  
157 375.063, Local Government Code, does not apply to directors of  
158 the district. Dual office holding laws, whether constitutional,  
159 common-law, statutory or otherwise, shall not prevent an officer  
160 or employee of the city from serving as a director or officer of  
161 the district.

162 (b) Section 49.052, Water Code, does not apply to the  
163 district.

164 (c) Section 375.072(c), Local Government Code, does not  
165 apply to directors of the district.

166       Sec. \_\_\_\_\_.053. VACANCY. The governing body of the city  
167 shall appoint directors to fill all vacancies on the board for  
168 the remainder of the unexpired term.

169       Sec. \_\_\_\_\_.054. DIRECTOR'S OATH OR AFFIRMATION. A  
170 director shall file the director's oath or affirmation of office  
171 with the district, and the district shall retain the oath or  
172 affirmation in the district records.

173       Sec. \_\_\_\_\_.055. OFFICERS. The board shall elect from among  
174 the directors a chair, a vice chair, and a secretary.

175       Sec. \_\_\_\_\_.056. NO OFFICE OF EMOLUMENT; EXPENSES. (a) The  
176 position of a director may not be construed to be a civil office  
177 of emolument for any purpose, including the purposes described  
178 by Article XVI, Section 40, of the Texas Constitution. Any  
179 director who is not employed by the city or serve as a member of  
180 the governing body of the city is entitled to compensation in  
181 the manner and amount described in Section 49.060, Water Code.

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

185       Sec. \_\_\_\_\_.057. LIABILITY INSURANCE. The district may  
186 obtain and pay for comprehensive general liability insurance  
187 coverage from a commercial insurance company or other source  
188 that protects and insures the directors against personal

189 liability and from all claims for actions taken as directors or  
190 actions and activities taken by the district or by others acting  
191 on its behalf.

192 Sec. \_\_\_\_ .058. BOARD MEETINGS. The board shall hold  
193 meetings at a place accessible to the public.

194 Sec. \_\_\_\_ .059. INITIAL DIRECTORS. (a) The initial board  
195 consists of the following directors:

196 (1) Mike Foreman, city manager;

197 (2) Jay Toutouchian, city chief financial officer;

198 (3) Three (3) directors appointed by the governing  
199 body of the city.

200 (b) Of the initial directors, the term of one (1)  
201 director appointed under Subsection (a)(3) expires May 31, 2016,  
202 and the terms of the other two (2) directors appointed under  
203 Subsection (a)(3) expire May 31, 2014.

204 (c) This section expires September 1, 2016.

205 Sec. \_\_\_\_ .060. PARTICIPATION IN VOTING. A person  
206 appointed for service on the board under this subchapter is  
207 qualified to serve as a director and participate in all votes  
208 pertaining to the business of the district regardless of any  
209 other statutory provision to the contrary.

210 Sec. \_\_\_\_ .061. REMOVAL OF DIRECTORS. The governing body  
211 of the city may remove any director it appoints at any time for

212 cause or at will.

213 [Sections \_\_\_\_\_.062-\_\_\_\_\_.100 reserved for expansion]

214 SUBCHAPTER C. POWERS AND DUTIES

215 Sec. \_\_\_\_\_.101. GENERAL POWERS AND DUTIES. The district  
216 has the powers and duties necessary to accomplish the purposes  
217 for which the district is created.

218 Sec. \_\_\_\_\_.102. IMPROVEMENT PROJECTS. The district may  
219 provide, or it may enter into contracts with a governmental or  
220 private entity to provide, the improvement projects described by  
221 Subchapter C-1 or activities in support of or incidental to  
222 those projects.

223 Sec. \_\_\_\_\_.103. WATER DISTRICT POWERS; EXCEPTIONS. (a)  
224 Except as provided by Subsection (b), the district has the  
225 powers provided by the general laws relating to conservation and  
226 reclamation districts created under Section 59, Article XVI,  
227 Texas Constitution, including Chapters 49 and 54, Water Code.

228 (b) The district may not provide wholesale or retail sale  
229 or service of water or the wholesale or retail collection or  
230 treatment of wastewater.

231 (c) The district shall paint or display the name and/or  
232 logo of the city, as such design is selected by the city, on any  
233 water towers or tanks constructed or financed by the district  
234 and not paint or display the name and/or logo of the district or

235 any other entity on such water towers or tanks.

236 Sec. \_\_\_\_\_.104. ROAD PROJECTS. The district has the road  
237 project powers set forth in Chapter 375, Local Government Code,  
238 except that Subsection 375.0921(b) shall not apply to the  
239 district.

240 Sec. \_\_\_\_\_.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The  
241 district has the powers provided by Chapter 372, Local  
242 Government Code, to a municipality or county

243 Sec. \_\_\_\_\_.106. CONTRACT POWERS. The district may contract  
244 with a governmental or private entity, on terms determined by  
245 the board, to carry out a power or duty authorized by this  
246 chapter or to accomplish a purpose for which the district is  
247 created.

248 Sec. \_\_\_\_\_.107. EMERGENCY SERVICES. Section 49.216 and  
249 Section 49.351 of the Water Code shall not apply to the  
250 district.

251 Sec. \_\_\_\_\_.108. ECONOMIC DEVELOPMENT. The district may  
252 engage in activities authorized by law that accomplish the  
253 economic development purposes of the district.

254 Sec. \_\_\_\_\_.109. NO EMINENT DOMAIN POWER. The district may  
255 not exercise the power of eminent domain.

256 Sec. \_\_\_\_\_.110. NO TOLL ROADS OR MASS TRANSIT. The  
257 district may not construct, acquire, maintain, or operate a toll

258 road or mass transit system.

259 [Sections \_\_\_\_\_.111-\_\_\_\_\_.150 reserved for expansion]

260 SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

261 Sec. \_\_\_\_\_.151. IMPROVEMENT PROJECTS AND SERVICES. Unless  
262 otherwise prohibited by this Chapter, the district may provide,  
263 design, construct, acquire, improve, relocate, operate,  
264 maintain, or finance an improvement project or service using  
265 money available to the district, or contract with a governmental  
266 or private entity to provide, design, construct, acquire,  
267 improve, relocate, operate, maintain, or finance an improvement  
268 project or service authorized under this chapter or Chapters 372  
269 or 375, Local Government Code.

270 Sec. \_\_\_\_\_.152. BOARD DETERMINATION REQUIRED. The district  
271 may not undertake an improvement project unless the board  
272 determines the project is necessary to accomplish a public  
273 purpose of the district.

274 Sec. \_\_\_\_\_.153. LOCATION OF IMPROVEMENT PROJECT. An  
275 improvement project may be located or provide service inside or  
276 outside the district.

277 Sec. \_\_\_\_\_.154. CITY REQUIREMENTS. (a) An improvement  
278 project in the city must comply with any applicable requirements  
279 of the city, including codes and ordinances.

280 (b) The district may not provide, conduct, or authorize

281 any improvement project on the city's streets, highways, rights-  
282 of-way, or easements without the consent of the governing body  
283 of the city.

284 (c) The city may:

285 (1) by ordinance or resolution require that title to  
286 all or a portion of a district improvement project vest in the  
287 city; or

288 (2) by ordinance or resolution authorize the district  
289 to own, encumber, maintain and operate an improvement project or  
290 convey the project to the city at a later date.

291 The district shall immediately comply with any city ordinance or  
292 resolution adopted under this section.

293 Sec. \_\_\_\_ .155. IMPROVEMENT PROJECT AND SERVICE IN  
294 DEFINABLE AREA. The district may undertake an improvement  
295 project or service that confers a special benefit on a definable  
296 area in the district and levy and collect a special assessment  
297 on benefited property in the district in accordance with:

298 (1) Chapter 372, Local Government Code; or

299 (2) Chapter 375, Local Government Code.

300 Sec. \_\_\_\_ .156. CONTRACTS. A contract to design,  
301 construct, acquire, improve, relocate, operate, maintain, or  
302 finance an improvement project is considered a contract for a  
303 good or service under Subchapter I, Chapter 271, Local

304 Government Code.

305 [Sections \_\_\_\_\_.157-\_\_\_\_\_.200 reserved for expansion]

306 SUBCHAPTER D. ADDITION OR EXCLUSION OF LAND; DIVISION OF

307 DISTRICT INTO MULTIPLE DISTRICTS

308 Sec. \_\_\_\_\_.201. ADDITION OR REMOVAL OF TERRITORY. The

309 board may add, delete, or exclude from the boundaries of the

310 district any territory located within the corporate limits or

311 extraterritorial jurisdiction of the city in the manner provided

312 by Subchapter J, Chapter 49, Water Code, except that:

313 (1) land may not be added or annexed to the district

314 without petition by the owners of the land; and

315 (2) land may not be added, annexed, removed or

316 disannexed to or from the district unless the addition,

317 annexation, removal or disannexation is approved by the

318 governing body of the city; and

319 (3) land may not be removed or disannexed from the

320 district at any time during which any bonds or other obligations

321 of the district that are payable, wholly or partly, from

322 assessments are outstanding. Sec. .202. DIVISION OF

323 DISTRICT; PREREQUISITE. The district may be divided into two or

324 more new districts only if the district has no outstanding

325 bonded debt. Any land added to the district as provided by

326 Sec. \_\_\_\_\_.201 may be included in a new district.

327       Sec. \_\_\_\_\_.203. LAW APPLICABLE TO NEW DISTRICT. This  
328 chapter applies to any new district created by division of the  
329 district, and a new district has all the powers and duties of  
330 the district.

331       Sec. \_\_\_\_\_.204. DIVISION PROCEDURES. (a) The board, on  
332 its own motion or on receipt of a petition signed by an owner of  
333 real property in the district, may adopt an order proposing to  
334 divide the district.

335       (b) The board may not divide the district unless the  
336 division is approved by the governing body of the city by  
337 resolution. The resolution may set terms for the division under  
338 Subsection (c).

339       (c) If the board decides to divide the district, the board  
340 shall, subject to the city's resolution:

341           (1) set the terms of the division, including names  
342 for the new districts and a plan for the payment or performance  
343 of any outstanding district obligations;

344           (2) prepare a metes and bounds description for each  
345 proposed district; and

346           (3) appoint initial directors for each new district.

347       Sec. \_\_\_\_\_.205. NOTICE AND RECORDING OF ORDER. Not later  
348 than the 30th day after the date of an order dividing the  
349 district, the district shall:

350           (1) file the order with the Texas Commission on  
351 Environmental Quality; and

352           (2) record the order in the real property records of  
353 the county in which the district is located.

354           Sec. \_\_\_\_\_.206. CONTRACT AUTHORITY OF NEW DISTRICTS. (a)  
355 Except as provided by Subsection (b), the new districts may  
356 contract with each other for any matter the boards of the new  
357 districts consider appropriate.

358           (b) The new districts may not contract with each other for  
359 water and wastewater services but may enter into agreements for  
360 the joint construction or financing of utility improvements or  
361 maintenance obligations.[Sections \_\_\_\_\_.207-\_\_\_\_\_.250 reserved for  
362 expansion]

363           SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

364           Sec. \_\_\_\_\_.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
365 board by resolution shall establish the number of directors'  
366 signatures and the procedure required for a disbursement or  
367 transfer of the district's money.

368           Sec. \_\_\_\_\_.252. MONEY USED FOR IMPROVEMENTS OR SERVICES.  
369 The district may undertake and provide an improvement project or  
370 service authorized by this chapter using any money available to  
371 the district.

372           Sec. \_\_\_\_\_.253. BORROWING MONEY; OBLIGATIONS. (a) The

373 district may borrow money for a district purpose, including the  
374 acquisition or construction of improvements authorized under  
375 this chapter or the reimbursement of a developer or owner for  
376 improvements authorized under this chapter, without holding an  
377 election by issuing bonds, notes, time warrants, or other  
378 obligations, or by entering into a contract or other agreement  
379 payable wholly or partly from an assessment, a contract payment,  
380 a grant, other district revenue, or a combination of these  
381 sources.

382 (b) An obligation described by Subsection (a):

383 (1) may bear interest at a rate determined by the  
384 board; and

385 (2) may include a term or condition as determined by  
386 the board.

387 Sec. \_\_\_\_\_.254. ASSESSMENTS. (a) Except as provided by  
388 Subsection (b), the district may impose an assessment on  
389 property in the district to pay for an obligation described by  
390 Section \_\_\_\_\_.253 in the manner provided for:

391 (1) a district under Subchapter F, Chapter 375, Local  
392 Government Code; or

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

395 (b) The district may not impose an assessment on a

396 municipality, county, or other political subdivision.

397 Sec. \_\_\_\_\_.255. NOTICE OF ASSESSMENTS. (a) The board  
398 shall annually file written notice with the secretary of the  
399 city that specifies the assessments the district will impose in  
400 the district's next fiscal year in sufficient clarity to  
401 describe the assessments for the operation and maintenance of  
402 the district and the assessments for the payment of debt service  
403 of obligations issued or incurred by the district.

404 (b) The board shall annually record in the deed records of  
405 the county a current assessment roll approved by the governing  
406 body of the city.

407 (c) The assessment roll must clearly state that the  
408 assessments in the assessment roll are in addition to the ad  
409 valorem taxes and any assessments imposed by other taxing units  
410 that tax real property in the district.

411 (d) The district shall generate and implement a program to  
412 provide notification to a prospective purchaser of property in  
413 the district of the assessments that have been approved and are  
414 imposed by the district. The notice of assessment shall be  
415 modeled after the "Notice to Purchasers" required by Section  
416 49.452(c), Water Code and modified to address assessments.

417 Sec. \_\_\_\_\_.256. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
418 375.161, Local Government Code, does not apply to the district.

419       Sec. \_\_\_\_\_.257. NO IMPACT FEES. The district may not  
420 impose an impact fee.

421       Sec. \_\_\_\_\_.258. NO AD VALOREM TAX. The district may not  
422 impose an ad valorem tax.

423       [Sections \_\_\_\_\_.259-\_\_\_\_\_.300 reserved for expansion]

424                   SUBCHAPTER F. DISSOLUTION

425       Sec. \_\_\_\_\_.301. DISSOLUTION BY CITY. (a) The city may  
426 dissolve the district by ordinance.

427       (b) The city may not dissolve the district until:

428           (1) the district's outstanding debt or contractual  
429 obligations have been repaid or discharged; or

430           (2) the city agrees to succeed to the rights and obligations of  
431 the district.

432       Sec. \_\_\_\_\_.302. COLLECTION OF ASSESSMENTS AND OTHER  
433 REVENUE. (a) If the dissolved district has bonds or other  
434 obligations outstanding secured by and payable from assessments  
435 or other revenue, the city succeeds to the rights and  
436 obligations of the district regarding enforcement and collection  
437 of the assessments or other revenue.

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

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



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

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

471           (d) All requirements of the constitution and laws of this  
472 state and the rules and procedures of the legislature with  
473 respect to the notice, introduction, and passage of this Act  
474 have been fulfilled and accomplished.

475           SECTION 4. This Act takes effect September 1, 2013.