

1-1 By: Sanford (Senate Sponsor - Springer) H.B. No. 4590
 1-2 (In the Senate - Received from the House May 17, 2021;
 1-3 May 17, 2021, read first time and referred to Committee on Local
 1-4 Government; May 22, 2021, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
 1-6 May 22, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Bettencourt	X			
1-9 Menéndez	X			
1-10 Eckhardt			X	
1-11 Gutierrez			X	
1-12 Hall	X			
1-13 Nichols	X			
1-14 Paxton	X			
1-15 Springer	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4590 By: Springer

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the creation of the TRR 243 Municipal Management
 1-22 District; providing authority to issue bonds and impose
 1-23 assessments, fees, and taxes.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-25 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-26 Code, is amended by adding Chapter 3793 to read as follows:

1-27 CHAPTER 3793. TRR 243 MUNICIPAL MANAGEMENT DISTRICT
 1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 3793.0101. DEFINITIONS. In this chapter:

- 1-30 (1) "Board" means the district's board of directors.
- 1-31 (2) "City" means the City of Celina, Texas.
- 1-32 (3) "Commission" means the Texas Commission on
 1-33 Environmental Quality.
- 1-34 (4) "Director" means a board member.
- 1-35 (5) "District" means the TRR 243 Municipal Management
 1-36 District.

1-37 Sec. 3793.0102. CREATION AND NATURE OF DISTRICT. The
 1-38 district is a special district created under Sections 52 and 52-a,
 1-39 Article III, and Section 59, Article XVI, Texas Constitution.

1-40 Sec. 3793.0103. PURPOSE; LEGISLATIVE FINDINGS. (a) The
 1-41 creation of the district is essential to accomplish the purposes of
 1-42 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-43 Texas Constitution, and other public purposes stated in this
 1-44 chapter. By creating the district and in authorizing the city and
 1-45 other political subdivisions to contract with the district, the
 1-46 legislature has established a program to accomplish the public
 1-47 purposes set out in Section 52-a, Article III, Texas Constitution.

1-48 (b) The creation of the district is necessary to promote,
 1-49 develop, encourage, and maintain employment, commerce,
 1-50 transportation, housing, tourism, recreation, the arts,
 1-51 entertainment, economic development, safety, and the public
 1-52 welfare in the district.

1-53 (c) This chapter and the creation of the district may not be
 1-54 interpreted to relieve the city from providing the level of
 1-55 services provided to the area in the district as of the effective
 1-56 date of the Act enacting this chapter. The district is created to
 1-57 supplement and not to supplant the city services provided in the
 1-58 district.

1-59 Sec. 3793.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

1-60 (a) The district is created to serve a public use and benefit.

2-1 (b) All land and other property included in the district
2-2 will benefit from the improvements and services to be provided by
2-3 the district under powers conferred by Sections 52 and 52-a,
2-4 Article III, and Section 59, Article XVI, Texas Constitution, and
2-5 other powers granted under this chapter.

2-6 (c) The district is created to accomplish the purposes of a
2-7 municipal management district as provided by general law and
2-8 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
2-9 Texas Constitution.

2-10 (d) The creation of the district is in the public interest
2-11 and is essential to:

2-12 (1) further the public purposes of developing and
2-13 diversifying the economy of the state;

2-14 (2) eliminate unemployment and underemployment;

2-15 (3) develop or expand transportation and commerce; and

2-16 (4) provide quality residential housing.

2-17 (e) The district will:

2-18 (1) promote the health, safety, and general welfare of
2-19 residents, employers, potential employees, employees, visitors,
2-20 and consumers in the district, and of the public;

2-21 (2) provide needed funding for the district to
2-22 preserve, maintain, and enhance the economic health and vitality of
2-23 the district territory as a community and business center; and

2-24 (3) promote the health, safety, welfare, and enjoyment
2-25 of the public by providing pedestrian ways and by landscaping and
2-26 developing certain areas in the district, which are necessary for
2-27 the restoration, preservation, and enhancement of scenic beauty.

2-28 (f) Pedestrian ways along or across a street, whether at
2-29 grade or above or below the surface, and street lighting, street
2-30 landscaping, parking, and street art objects are parts of and
2-31 necessary components of a street and are considered to be a street
2-32 or road improvement.

2-33 (g) The district will not act as the agent or
2-34 instrumentality of any private interest even though the district
2-35 will benefit many private interests as well as the public.

2-36 Sec. 3793.0105. DISTRICT TERRITORY. (a) The district is
2-37 composed of the territory described by Section 2 of the Act enacting
2-38 this chapter, as that territory may have been modified under other
2-39 law.

2-40 (b) The boundaries and field notes contained in Section 2 of
2-41 the Act enacting this chapter form a closure. A mistake in the
2-42 field notes or in copying the field notes in the legislative process
2-43 does not affect the district's:

2-44 (1) organization, existence, or validity;

2-45 (2) right to contract;

2-46 (3) authority to borrow money or issue bonds or other
2-47 obligations described by Section 3793.0501 or to pay the principal
2-48 and interest of the bonds or other obligations;

2-49 (4) right to impose or collect an assessment, or
2-50 collect other revenue; or

2-51 (5) legality or operation.

2-52 Sec. 3793.0106. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-53 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-54 Chapter 375, Local Government Code, applies to the district.

2-55 Sec. 3793.0107. CONSTRUCTION OF CHAPTER. This chapter
2-56 shall be liberally construed in conformity with the findings and
2-57 purposes stated in this chapter.

2-58 Sec. 3793.0108. CONFLICTS OF LAW. This chapter prevails
2-59 over any provision of Chapter 375, Local Government Code, that is in
2-60 conflict or inconsistent with this chapter.

2-61 Sec. 3793.0109. CONSENT OF MUNICIPALITY AND DEVELOPMENT
2-62 AGREEMENT REQUIRED. (a) The board may not hold an election to
2-63 authorize the issuance of bonds until:

2-64 (1) the governing body of the city by ordinance or
2-65 resolution consents to the creation of the district and to the
2-66 inclusion of land in the district; and

2-67 (2) the governing body of the city has entered into a
2-68 development agreement with the owner of a majority of the land in
2-69 the district.

3-1 (b) The city's consent must be granted in the manner
3-2 provided by Section 54.016, Water Code, for including land within
3-3 the corporate limits or extraterritorial jurisdiction of a city.

3-4 SUBCHAPTER B. BOARD OF DIRECTORS

3-5 Sec. 3793.0201. GOVERNING BODY; TERMS. The district is
3-6 governed by a board of five directors who serve staggered terms of
3-7 four years, with two or three directors' terms expiring June 1 of
3-8 each even-numbered year. One director is appointed by the city, and
3-9 four directors are appointed by the commission as provided by
3-10 Sections 3793.0202 and 3793.0203, respectively.

3-11 Sec. 3793.0202. APPOINTMENT AND REMOVAL OF DIRECTOR
3-12 APPOINTED BY CITY. (a) The governing body of the city shall
3-13 appoint one director who must be:

- 3-14 (1) at least 18 years of age; and
- 3-15 (2) a resident of the city.

3-16 (b) At any time the governing body of the city may remove the
3-17 director appointed by the city and appoint a director to serve the
3-18 remainder of the removed director's term.

3-19 Sec. 3793.0203. APPOINTMENT BY COMMISSION. (a) Before the
3-20 term of a director other than a director appointed under Section
3-21 3793.0202 expires, the board shall recommend to the commission the
3-22 appropriate number of persons to serve as successor directors. The
3-23 commission shall appoint as directors the persons recommended by
3-24 the board.

3-25 (b) A person recommended by the board under Subsection (a)
3-26 must be:

- 3-27 (1) at least 18 years of age;
- 3-28 (2) an owner of property in the district;
- 3-29 (3) an owner of stock, whether beneficial or
3-30 otherwise, of a corporate owner of property in the district;
- 3-31 (4) an owner of a beneficial interest in a trust that
3-32 owns property in the district; or
- 3-33 (5) an agent, employee, or tenant of a person
3-34 described by Subdivision (2), (3), or (4).

3-35 Sec. 3793.0204. VACANCY. If a vacancy occurs on the board,
3-36 the remaining directors shall appoint a director for the remainder
3-37 of the unexpired term.

3-38 Sec. 3793.0205. DIRECTOR'S OATH OR AFFIRMATION. (a) A
3-39 director shall file the director's oath or affirmation of office
3-40 with the district, and the district shall retain the oath or
3-41 affirmation in the district records.

3-42 (b) A director shall file a copy of the director's oath or
3-43 affirmation with the secretary of the city.

3-44 Sec. 3793.0206. OFFICERS. The board shall elect from among
3-45 the directors a chair, a vice chair, and a secretary. The offices
3-46 of chair and secretary may not be held by the same person.

3-47 Sec. 3793.0207. COMPENSATION; EXPENSES. (a) The district
3-48 may compensate each director in an amount not to exceed \$150 for
3-49 each board meeting. The total amount of compensation a director may
3-50 receive each year may not exceed \$7,200.

3-51 (b) A director is entitled to reimbursement for necessary
3-52 and reasonable expenses incurred in carrying out the duties and
3-53 responsibilities of the board.

3-54 Sec. 3793.0208. LIABILITY INSURANCE. The district may
3-55 obtain and pay for comprehensive general liability insurance
3-56 coverage from a commercial insurance company or other source that
3-57 protects and insures a director against personal liability and from
3-58 all claims relating to:

- 3-59 (1) actions taken by the director in the director's
3-60 capacity as a member of the board;
- 3-61 (2) actions and activities taken by the district; or
- 3-62 (3) the actions of others acting on behalf of the
3-63 district.

3-64 Sec. 3793.0209. NO EXECUTIVE COMMITTEE. The board may not
3-65 create an executive committee to exercise the powers of the board.

3-66 Sec. 3793.0210. INITIAL DIRECTORS. (a) On or after
3-67 September 1, 2021, the owner or owners of a majority of the assessed
3-68 value of the real property in the district according to the most
3-69 recent certified tax appraisal rolls for the county may submit a

4-1 petition to the commission requesting that the commission appoint
4-2 as initial directors the four persons named in the petition. The
4-3 commission shall appoint as initial directors the four persons
4-4 named in the petition.

4-5 (b) The governing body of the city shall appoint one initial
4-6 director.

4-7 (c) The initial directors shall determine by lot which three
4-8 positions expire June 1, 2023, and which two positions expire June
4-9 1, 2025.

4-10 (d) This section expires September 1, 2023.

4-11 SUBCHAPTER C. POWERS AND DUTIES

4-12 Sec. 3793.0301. GENERAL POWERS AND DUTIES. The district
4-13 has the powers and duties necessary to accomplish the purposes for
4-14 which the district is created.

4-15 Sec. 3793.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
4-16 Subject to Subsection (b), the district may provide, design,
4-17 construct, acquire, improve, relocate, operate, maintain, or
4-18 finance an improvement project or service using money available to
4-19 the district, or contract with a governmental or private entity to
4-20 provide, design, construct, acquire, improve, relocate, operate,
4-21 maintain, or finance an improvement project or service authorized
4-22 under this chapter or Chapter 375, Local Government Code.

4-23 (b) The district may not construct or finance an improvement
4-24 project, other than a water, sewer, or drainage facility or road,
4-25 unless the governing body of the city by ordinance or resolution
4-26 consents to the construction or financing.

4-27 (c) The district may issue bonds, notes, or other
4-28 obligations to maintain or repair an existing improvement project
4-29 only if the governing body of the city by ordinance or resolution
4-30 consents to the issuance.

4-31 Sec. 3793.0303. LOCATION OF IMPROVEMENT PROJECT. A
4-32 district improvement project may be located inside or outside of
4-33 the district.

4-34 Sec. 3793.0304. OWNERSHIP OF IMPROVEMENT PROJECTS. (a)
4-35 Before a district improvement project may be put into operation,
4-36 the district must transfer ownership of the project to the city.

4-37 (b) The transfer of ownership is complete on the city's
4-38 acceptance of ownership.

4-39 Sec. 3793.0305. RETAIL WATER AND SEWER SERVICES PROHIBITED.
4-40 The district may not provide retail water or sewer services.

4-41 Sec. 3793.0306. ADDING OR REMOVING TERRITORY. (a) Subject
4-42 to Subsection (b), the board may add or remove territory as provided
4-43 by Subchapter J, Chapter 49, Water Code.

4-44 (b) The district may add territory as described by
4-45 Subsection (a) only if the governing body of the city by ordinance
4-46 or resolution consents to the addition.

4-47 Sec. 3793.0307. NO EMINENT DOMAIN POWER. The district may
4-48 not exercise the power of eminent domain.

4-49 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

4-50 Sec. 3793.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The
4-51 board by resolution shall establish the number of directors'
4-52 signatures and the procedure required for a disbursement or
4-53 transfer of the district's money.

4-54 Sec. 3793.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.
4-55 The district may acquire, construct, or finance an improvement
4-56 project or service authorized by this chapter or Chapter 375, Local
4-57 Government Code, using any money available to the district.

4-58 Sec. 3793.0403. METHOD OF NOTICE FOR HEARING. The district
4-59 may mail the notice required by Section 375.115(c), Local
4-60 Government Code, by certified or first class United States mail.
4-61 The board shall determine the method of notice.

4-62 Sec. 3793.0404. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
4-63 The board by resolution may impose and collect an assessment for any
4-64 purpose authorized by this chapter in all or any part of the
4-65 district.

4-66 (b) An assessment, a reassessment, or an assessment
4-67 resulting from an addition to or correction of the assessment roll
4-68 by the district, penalties and interest on an assessment or
4-69 reassessment, an expense of collection, and reasonable attorney's

5-1 fees incurred by the district are:

5-2 (1) a first and prior lien against the property
5-3 assessed;

5-4 (2) superior to any other lien or claim other than a
5-5 lien or claim for county, school district, or municipal ad valorem
5-6 taxes; and

5-7 (3) the personal liability of and a charge against the
5-8 owners of the property even if the owners are not named in the
5-9 assessment proceedings.

5-10 (c) The lien is effective from the date of the board's
5-11 resolution imposing the assessment until the date the assessment is
5-12 paid. The board may enforce the lien in the same manner that the
5-13 board may enforce an ad valorem tax lien against real property.

5-14 (d) The board may make a correction to or deletion from the
5-15 assessment roll that does not increase the amount of assessment of
5-16 any parcel of land without providing notice and holding a hearing in
5-17 the manner required for additional assessments.

5-18 (e) The district may not impose an assessment on a
5-19 municipality, county, or other political subdivision.

5-20 Sec. 3793.0405. NOTICE OF ASSESSMENTS. Annually, the board
5-21 shall file with the secretary of the city written notice that
5-22 specifies the assessments the district will impose in the
5-23 district's next fiscal year in sufficient clarity to describe the
5-24 assessments for the operation and maintenance of the district and
5-25 the assessments for the payment of debt service of obligations
5-26 issued or incurred by the district.

5-27 SUBCHAPTER E. TAXES AND BONDS

5-28 Sec. 3793.0501. BONDS AND OTHER OBLIGATIONS. (a) The
5-29 district may issue bonds, notes, or other obligations payable
5-30 wholly or partly from ad valorem taxes or assessments in the manner
5-31 provided by Subchapter J, Chapter 375, Local Government Code.

5-32 (b) In exercising the district's borrowing power, the
5-33 district may issue a bond or other obligation in the form of a bond,
5-34 note, certificate of participation or other instrument evidencing a
5-35 proportionate interest in payments to be made by the district, or
5-36 other type of obligation.

5-37 (c) In addition to the sources of money described by
5-38 Subchapter J, Chapter 375, Local Government Code, district bonds
5-39 may be secured and made payable wholly or partly by a pledge of any
5-40 part of the money the district receives from improvement revenue or
5-41 from any other source.

5-42 (d) Not later than the 30th day before the date the district
5-43 holds a bond sale, the district shall provide the governing body of
5-44 the city written notice of the sale.

5-45 SUBCHAPTER F. DISSOLUTION

5-46 Sec. 3793.0601. DISSOLUTION BY CITY ORDINANCE. (a) The
5-47 governing body of the city may dissolve the district by ordinance.

5-48 (b) The governing body may not dissolve the district until:

5-49 (1) water, sanitary, sewer, and drainage improvements
5-50 and roads have been constructed to serve at least 90 percent of the
5-51 developable territory of the district; and

5-52 (2) the district has reimbursed each party that has an
5-53 agreement with the district for all costs advanced to or on behalf
5-54 of the district.

5-55 (c) Until the district is dissolved, the district is
5-56 responsible for all bonds and other obligations of the district.

5-57 Sec. 3793.0602. COLLECTION OF ASSESSMENTS AND OTHER
5-58 REVENUE. (a) If the dissolved district has bonds or other
5-59 obligations outstanding secured by and payable from assessments or
5-60 other revenue, other than revenue from ad valorem taxes, the city
5-61 shall succeed to the rights and obligations of the district
5-62 regarding enforcement and collection of the assessments or other
5-63 revenue.

5-64 (b) The city shall have and exercise all district powers to
5-65 enforce and collect the assessments or other revenue to pay:

5-66 (1) the bonds or other obligations when due and
5-67 payable according to their terms; or

5-68 (2) special revenue or assessment bonds or other
5-69 obligations issued by the city to refund the outstanding bonds or

6-1 obligations.

6-2 Sec. 3793.0603. ASSUMPTION OF ASSETS AND LIABILITIES. (a)
6-3 After the city dissolves the district, the city assumes, subject to
6-4 the appropriation and availability of funds, the obligations of the
6-5 district, including any bonds or other debt payable from
6-6 assessments or other district revenue.

6-7 (b) If the city dissolves the district, the board shall
6-8 transfer ownership of all district property to the city.

6-9 SECTION 2. The TRR 243 Municipal Management District
6-10 initially includes all the territory contained in the following
6-11 area:

6-12 BEING that certain tract of land situated in the Collin County
6-13 School Land Survey, Abstract No. 168, Collin County, Texas, and
6-14 being all of that certain called 243.820 acre tract of land as
6-15 conveyed to Laura Latham Shinker, Elizabeth Brent and David Brent,
6-16 as recorded in Volume 967, Page 705 of the Deed Records of Collin
6-17 County, Texas, and also being all of that certain called 243.859
6-18 acre tract of land as conveyed to Godwin Family Investments, Ltd.,
6-19 by deed recorded in Volume 5634, Page 3372, said Deed Records, and
6-20 being more particularly described by metes and bounds as follows:

6-21 BEGINNING at a 5/8 inch iron rod found for the southeast corner of
6-22 said Godwin Family Investments tract, same being the southwest
6-23 corner of that certain tract of land to Carol J. King or Julia King
6-24 Needum, and their Successors, as Trustee of the King Family Trust,
6-25 as recorded in Instrument no. 2012102200134910, Official Public
6-26 Records, Collin County, Texas, same being in the north right-of-way
6-27 line of F.M. Highway 428 (a 105' public right-of-way at this point);
6-28 THENCE Sough 89 deg. 59 min. 43 sec. West, along the common line of
6-29 said Godwin Family Investments tract, and the north right-of-way
6-30 line of said F. M. Highway No. 428, a distance of 2602.61 feet to a
6-31 1/2 inch iron pipe found for the most southerly southwest corner of
6-32 said Godwin Family Investments tract;

6-33 THENCE North 45 deg. 11 min. 54 sec. West, continuing along the
6-34 common line of said Godwin Family Investments tract, and the north
6-35 right-of-way line of said F. M. Highway 428, a distance of 42.50
6-36 feet to a point;

6-37 THENCE South 89 deg. 59 min. 06 sec. West, continuing along the
6-38 common line of said Godwin Family Investments tract, and the north
6-39 right-of-way line of said F. M. Highway No. 428, a distance of 17.50
6-40 feet to a 1/2 inch iron rod found in the approximate center of
6-41 County Road No. 54 (a gravel paved prescriptive right-of-way);

6-42 THENCE North 00 deg. 02 min. 21 sec. West, along the west line of
6-43 said Godwin Family Investments tract, and generally along the
6-44 centerline of said County Road No. 54, a distance of 3965.31 feet to
6-45 a 3/8 inch rod found for the northwest corner of said Godwin Family
6-46 Investments tract, same being the southwest corner of that certain
6-47 tract of land to Michael C. Hollifield and wife, Deborah Baker
6-48 Hollifield, husband and wife, by deed recorded in Volume 5696, Page
6-49 1982, aforesaid Deed Records;

6-50 THENCE South 89 deg. 57 min. 51 sec. East, along the common line of
6-51 said Godwin Family Investments tract, and said Hollifield tract,
6-52 passing the southeast corner of said Hollifield tract, same being
6-53 the southwest corner of that certain tract of land to the Pollard
6-54 Family Living Trust, by deed recorded in County Clerk's File
6-55 No. 20120608000680240, aforesaid Official Public Records, and
6-56 continuing along the common line of said Godwin Family Investments
6-57 tract, and said Pollard tract, a total distance of 2669.06 feet to a
6-58 3/4 inch iron rod found for the northeast corner of said Godwin
6-59 Family Investments tract, same being the southeast corner of said
6-60 Pollard tract, same being in the west line of that certain tract of
6-61 land to Douglas J. Barker and wife, Sandra Barker, by deed recorded
6-62 in Volume 1159, Page 423, said Deed Records;

6-63 THENCE South 00 deg. 14 min. 32 sec. West, along common line of said
6-64 Godwin Family Investments tract, and said Pollard tract, passing
6-65 the southwest corner of said Pollard tract, same being the most
6-66 northerly northwest corner of that certain tract of land to Old
6-67 Celina, Ltd., by deed recorded in Volume 5208, Page 3376, said Deed
6-68 Records, and continuing along the common line of said Godwin Family
6-69 Investments tract, and said Old Celina tract, a total distance of

7-1 1400.08 feet to a Bois d' Arc Fence found for the most westerly
7-2 southwest corner of said Old Celina tract, same being the northwest
7-3 corner of aforesaid King tract;
7-4 THENCE South 00 deg. 13 min. 28 sec. West, along the common line of
7-5 said Godwin Family Investments tract, and said King tract, a
7-6 distance of 2593.32 feet to the POINT OF BEGINNING and containing
7-7 243.846 acres of computed land, more or less.

7-8 SECTION 3. (a) The legal notice of the intention to
7-9 introduce this Act, setting forth the general substance of this
7-10 Act, has been published as provided by law, and the notice and a
7-11 copy of this Act have been furnished to all persons, agencies,
7-12 officials, or entities to which they are required to be furnished
7-13 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
7-14 Government Code.

7-15 (b) The governor, one of the required recipients, has
7-16 submitted the notice and Act to the Texas Commission on
7-17 Environmental Quality.

7-18 (c) The Texas Commission on Environmental Quality has filed
7-19 its recommendations relating to this Act with the governor,
7-20 lieutenant governor, and speaker of the house of representatives
7-21 within the required time.

7-22 (d) All requirements of the constitution and laws of this
7-23 state and the rules and procedures of the legislature with respect
7-24 to the notice, introduction, and passage of this Act have been
7-25 fulfilled and accomplished.

7-26 SECTION 4. This Act takes effect September 1, 2021.

7-27

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