

AN ACT

relating to the powers and duties of the Kaufman County Fresh Water Supply District No. 1-A; providing authority to issue bonds and levy assessments.

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

SECTION 1. Subtitle B, Title 6, Special District Local Laws Code, is amended by adding Chapter 6916 to read as follows:

CHAPTER 6916. KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-A

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6916.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Kaufman County Fresh Water Supply District No. 1-A.

Sec. 6916.002. NATURE OF DISTRICT. The district is a fresh water supply district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 6916.003. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

1 other powers granted under this chapter.

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

4 (1) developing and diversifying the economy of the
5 state;

6 (2) eliminating unemployment and underemployment; and

7 (3) developing or expanding transportation and
8 commerce.

9 (d) The district will:

10 (1) promote the health, safety, and general welfare of
11 residents, employers, potential employees, employees, visitors,
12 and consumers in the district, and of the public;

13 (2) provide needed funding for the district to
14 preserve, maintain, and enhance the economic health and vitality of
15 the district territory as a community and business center; and

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

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

25 Sec. 6916.004. APPLICABILITY OF OTHER LAW. Except as
26 otherwise provided by this chapter, the following laws apply to the
27 district:

- 1 (1) Chapters 49, 51, and 53, Water Code;
2 (2) Chapters 372 and 375, Local Government Code; and
3 (3) Chapter 257, Transportation Code, and other
4 general laws applicable to road districts created under Section 52,
5 Article III, Texas Constitution, to the extent those provisions can
6 apply to the district.

7 SUBCHAPTER B. POWERS AND DUTIES

8 Sec. 6916.051. AUTHORITY FOR ROAD PROJECTS. Under Section
9 52, Article III, Texas Constitution, the district may design,
10 acquire, construct, finance, issue bonds for, improve, operate,
11 maintain, and convey to this state, a county, or a municipality for
12 operation and maintenance macadamized, graveled, concreted, or
13 paved roads, or improvements, including storm drainage, in aid of
14 those roads.

15 Sec. 6916.052. ROAD STANDARDS AND REQUIREMENTS. (a) A road
16 project must meet all applicable construction standards, zoning and
17 subdivision requirements, and regulations of each municipality in
18 whose corporate limits or extraterritorial jurisdiction the road
19 project is located.

20 (b) If a road project is not located in the corporate limits
21 or extraterritorial jurisdiction of a municipality, the road
22 project must meet all applicable construction standards,
23 subdivision requirements, and regulations of each county in which
24 the road project is located.

25 (c) If the state will maintain and operate the road, the
26 Texas Transportation Commission must approve the plans and
27 specifications of the road project.

1 Sec. 6916.053. JOINT ROAD PROJECTS. (a) A district may
2 contract with a state agency, political subdivision, or corporation
3 created under Chapter 431, Transportation Code, for a joint road
4 project.

5 (b) The contract may:

6 (1) provide for joint payment of project costs; and

7 (2) require the state agency, political subdivision,
8 or corporation to design, construct, or improve a project,
9 including landscaping, as provided by the contract.

10 Sec. 6916.054. EXEMPTION FROM CERTAIN SUPERVISION AND
11 APPROVAL REQUIREMENTS. (a) The district may reimburse
12 expenditures as provided by Sections 257.003(a) and (b),
13 Transportation Code, without the approval required by Section
14 257.003(c), Transportation Code.

15 (b) The district may reimburse expenditures for a project
16 constructed or acquired under Section 6916.051 or 6916.053 without
17 the approval required by Section 49.107(f), Water Code.

18 (c) Sections 49.181 and 49.182, Water Code, and Section
19 375.208, Local Government Code, do not apply to:

20 (1) a project authorized by Section 6916.051 or
21 6916.053;

22 (2) bonds issued for a project described by
23 Subdivision (1); or

24 (3) bonds issued under Chapter 372, Local Government
25 Code, as authorized by Section 6916.151(b).

26 Sec. 6916.055. ROAD CONTRACTS. The district may enter into
27 a contract for a road project in the same manner as a road district

1 under Chapter 257, Transportation Code, except that competitive
2 bidding for a road project contract is governed by Subchapter I,
3 Chapter 49, Water Code.

4 Sec. 6916.056. DIVISION OF DISTRICT. (a) The district may
5 be divided into two or more new districts only if the district:

6 (1) has no outstanding bonded debt; and

7 (2) is not imposing ad valorem taxes.

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

11 (c) Any new district created by the division of the district
12 may not, at the time the new district is created, contain any land
13 outside the boundaries of the district as the boundaries exist on
14 the effective date of the Act enacting this chapter.

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

19 (e) An order dividing the district must:

20 (1) name each new district;

21 (2) include the metes and bounds description of the
22 territory of each new district;

23 (3) appoint temporary directors for each new district;

24 and

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

27 (f) On or before the 30th day after the date of adoption of

1 an order dividing the district, the district shall file the order
2 with the Texas Commission on Environmental Quality and record the
3 order in the real property records of each county in which the
4 district is located.

5 (g) Any new district created by the division of the district
6 shall hold a confirmation and directors' election as required by
7 Chapter 49, Water Code.

8 (h) If the creation of the new district is confirmed, the
9 new district shall provide the election date and results to the
10 Texas Commission on Environmental Quality.

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

15 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

16 Sec. 6916.101. ASSESSMENTS. (a) The district may impose an
17 assessment on property in the district to pay for an improvement
18 project or an obligation described by Section 6916.151 in the
19 manner provided for:

20 (1) a district under Subchapters A, E, and F, Chapter
21 375, Local Government Code; or

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

24 (b) The district may impose an assessment for any district
25 operation and maintenance or authorized improvement or
26 supplemental service, including public safety services, in the
27 manner provided for:

1 (1) a district under Subchapters A, E, and F, Chapter
2 375, Local Government Code; or

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

5 (c) The district may not impose an assessment on a
6 municipality, county, or other political subdivision.

7 Sec. 6916.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section
8 375.161, Local Government Code, does not apply to the district.

9 SUBCHAPTER D. BONDS

10 Sec. 6916.151. AUTHORITY TO ISSUE BONDS AND OTHER
11 OBLIGATIONS. (a) Subject to Subsections (e) and (f), the district
12 may issue bonds or other obligations to finance the construction,
13 maintenance, or operation of road projects authorized by Section
14 6916.051 or 6916.053.

15 (b) The district may issue, by public or private sale,
16 bonds, notes, or other obligations payable wholly or partly from
17 assessments in the manner provided by:

18 (1) Subchapter J, Chapter 375, Local Government Code;
19 or

20 (2) Subchapter A, Chapter 372, Local Government Code,
21 if an improvement project financed by an obligation issued under
22 this subsection will be conveyed to or operated and maintained by a
23 municipality or retail utility provider under an agreement between
24 the district and the municipality or retail utility provider
25 entered into before the issuance of the obligation.

26 (c) The district may issue by competitive bidding or
27 negotiated sale bonds or other obligations, payable wholly or

1 partly from any available revenue of the district, to pay for an
2 improvement project.

3 (d) The district may issue by competitive bidding or
4 negotiated sale bonds or other obligations, payable wholly or
5 partly from any available revenue of the district or contract
6 revenue from another district that is secured by ad valorem taxes
7 imposed by or other revenue from the other district, to pay for a
8 joint utility or road project.

9 (e) The district may not issue bonds or other obligations
10 payable wholly or partly from ad valorem taxes to finance a road
11 project unless the issuance is approved by a vote of a two-thirds
12 majority of the district voters voting at an election held for that
13 purpose.

14 (f) At the time of issuance, the total principal amount of
15 bonds or other obligations issued or incurred to finance road
16 projects and payable from ad valorem taxes may not exceed
17 one-fourth of the assessed value of the real property in the
18 district.

19 SECTION 2. (a) The following are validated and confirmed in
20 all respects:

21 (1) the creation of the Kaufman County Fresh Water
22 Supply District No. 1-A; and

23 (2) any act or proceeding of the district, including
24 an election, not excepted by this section and taken not more than
25 three years before the effective date of this Act, effective as of
26 the date on which the act or proceeding occurred.

27 (b) This section does not apply to:

1 (1) an act, proceeding, director, other official,
2 bond, or other obligation the validity of which or of whom is the
3 subject of litigation that is pending on the effective date of this
4 Act; or

5 (2) an act or proceeding that, under a statute of this
6 state or the United States, was a misdemeanor or felony at the time
7 the act or proceeding occurred.

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

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

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

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

26 SECTION 4. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

H.B. No. 1207

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 1207 was passed by the House on May 9, 2017, by the following vote: Yeas 138, Nays 7, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1207 on May 24, 2017, by the following vote: Yeas 135, Nays 10, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1207 was passed by the Senate, with amendments, on May 22, 2017, by the following vote: Yeas 30, Nays 0, 1 present, not voting.

Secretary of the Senate

APPROVED: _____

Date

Governor