

AN ACT

relating to the powers and duties of the Kaufman County Fresh Water Supply District No. 1-D; 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 6917 to read as follows:

CHAPTER 6917. KAUFMAN COUNTY FRESH WATER SUPPLY DISTRICT NO. 1-D

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6917.001. 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-D.

Sec. 6917.002. 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. 6917.003. 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. 6917.004. 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. 6917.051. 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. 6917.052. 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. 6917.053. 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. 6917.054. 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 6917.051 or 6917.053 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 6917.051 or  
21 6917.053;

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 6917.151(b).

26       Sec. 6917.055. 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. 6917.056. 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. 6917.101. 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 6917.151 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. 6917.102. RESIDENTIAL PROPERTY NOT EXEMPT. Section  
8 375.161, Local Government Code, does not apply to the district.

9                                   SUBCHAPTER D. BONDS

10           Sec. 6917.151. 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 6917.051 or 6917.053.

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-D; 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. 1208

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.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1208 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. 1208 on May 24, 2017, by the following vote: Yeas 119, Nays 22, 3 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1208 was passed by the Senate, with amendments, on May 22, 2017, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor