

A Resolution

NO. _____

DECLARING THE CITY'S CONDITIONAL SUPPORT OF AND CONSENT TO THE CREATION OF THE COTTON BELT RAIL IMPROVEMENT DISTRICT

WHEREAS on December 18, 2012 the City Council adopted Resolution No. 4158-12-2012 authorizing the execution of agreements with the North Central Texas Council of Governments ("NCTCOG") requesting NCTCOG to pursue public-private development proposals for the Cotton Belt Passenger Rail Project (the "Project") as a Responsible Governmental Entity under Chapters 2267 and 2268 of the Texas Government Code; and

WHEREAS pursuant to the City Council's authorization under Resolution No. 4158-12-2012 the City and NCTCOG intend to execute an Interlocal Cooperation Agreement relating to NCTCOG's service as a Responsible Governmental Entity for purposes of pursuing public-private development proposals for the Project; and

WHEREAS the City Council strongly supports the development of commuter rail both within the City and the region as well as between the City and Dallas-Fort Worth International Airport, all of which is of significant importance to the long-term future growth of the City and the long-term future benefit of its citizens; and

WHEREAS the Project, as currently envisioned, creates the opportunity for implementation of the commuter rail objectives supported by the City Council; and

WHEREAS the City has received a request from NCTCOG and other promoters of the Project that the City consent to legislation that creates a special purpose district known as the "Cotton Belt Rail Improvement District" (the "District") in order to facilitate the potential for development of the Project through NCTCOG and a public-private partnership under Chapters 2267 and 2268 of the Texas Government Code; and

WHEREAS the District will encompass the approximately 62-mile Cotton Belt rail corridor through twelve (12) municipalities, from Fort Worth on the west to Plano on the east, with nine (9) proposed stations and approximately 1,060 acres of land for development or redevelopment contemplated to be included in the District's boundary within the corporate limits of the City; and

WHEREAS the proposed District will have numerous powers to develop and finance development of the Project, including powers of a Municipal Management District consistent with Chapter 375 of the Texas Local Government Code; and

WHEREAS it is proposed that the District be governed by a Board of Directors consisting of 16 persons, with each of the twelve (12) municipalities appointing one Director, each of the three (3) transit agencies appointing one Director and Dallas-Fort Worth International Airport appointing one Director; and



WHEREAS it is proposed that before the District can develop or finance development of the Project, a development plan must be approved by (i) a majority vote of the District's Board, with the vote of a Director appointed by a municipality being weighted in accordance with the number of rail stations planned or actually constructed in that municipality, whichever is greater, and (ii) the weighted majority votes of the Directors appointed by municipalities both east of the City of Grapevine and west of and including the City of Grapevine; and

WHEREAS the City Council is not opposed to creation of the District provided that the District is governed in such a manner that the City, either directly or through its appointed Director, has the ability to retain full control over non-rail development within that portion of the District that is located within the City's corporate boundaries and the ability to retain full control over any financing obligations affecting the City or affecting property located in that portion of the District that is located within the City's corporate boundaries;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

Section 1. THAT the City Council hereby declares its support of the creation of the District by the Legislature of the State of Texas in accordance with the draft bill attached hereto and provided that the City continues to be assured at all times that the bill, and any amendments or revisions thereto, and creation of the District in general will benefit the City and its citizens and not abrogate the powers of the City as a home-rule municipality or the authority of its elected officials.

Section 2. THAT this Resolution will take effect immediately upon its adoption.

Section 3. THAT this Resolution may be repealed or amended at any time by majority vote of the City Council taken in a public meeting posted in accordance with Chapter 551 of the Texas Government Code.

Section 4. THAT if a copy of a public-private development proposal for the Project is not received by NCTCOG as a Responsible Governmental Entity under Chapters 2267 and 2268 of the Texas Government Code and delivered to the City Manager's Office by 5:00 P.M. CDT, May 1, 2013, the City Council's declaration of support for the creation of the District will automatically be withdrawn.

Adopted this 5th day of March 2013.

ATTEST:By: _____

Mary Kayser, City Secretary



83rd Regular

By: TBD

H.B. No. XXXX

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Cotton Belt Rail Improvement District; providing authority to impose an assessment, impose a tax, 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 xxxx to read as follows:

CHAPTER xxxx. COTTON BELT RAIL IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. xxxx.001. DEFINITIONS. In this chapter:

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

(2) "Cities" means the Cities of Ft. Worth, Haltom City, North Richland Hills, Grapevine, Coppell, Carrollton, Addison, Farmers Branch, Dallas, Richardson, and Plano.

(3) "Counties" means Collin, Dallas, and Tarrant.

(4) "Director" means a board member.

(5) "District" means the Cotton Belt Rail Improvement District.

(6) "East Sector Cities" means the Cities of Coppell, Carrollton, Addison, Farmers Branch, Dallas, Richardson, and Plano.

(7) "Participation in the District" means Municipal or County funding of District project costs by interlocal agreement, or direct funding from any lawful source of Municipal or County revenues , including but not limited to funds generated by special economic development Districts created pursuant to Chapter 311, Texas Tax Code, Chapter 372, Local Government Code, and Chapter 375, Local Government Code.

(8) "Transit Authorities" means the Dallas Area Rapid Transit Authority, the Denton County Transit Authority, and the Fort Worth Transportation Authority.

(9) "Local Assessment Advisory Board" means the board appointed by each local taxing jurisdiction to approve assessment petitions, and approve the use of assessment revenues generated within that local taxing jurisdiction's corporate limits for non-rail project costs.

(10) "Cotton Belt Rail Corridor" means the rail corridor, consisting of a 100 foot right of way, referenced in the Deed executed by St. Louis Southwest Railway Company, and the Dallas Area Rapid Transit Property Acquisition Corporation,

dated December 27, 1990, and including rail right-of-way owned by several other rail operators on the Southwest end of the Cotton Belt Rail corridor, with abutting development nodes stretching 66 miles in a Northeasterly direction from the McPherson Station area in Fort Worth, to the Shiloh Station area in Plano, as legally described in Section 2 of this statute.

(11) "West Sector Cities" means the Cities of Fort Worth, Haltom City, Richland Hills, and Grapevine.

Sec. xxxx.002. CREATION AND NATURE OF DISTRICT. The Cotton Belt Rail Improvement District is a special District created under Section 59, Article XVI, Texas Constitution.

Sec. xxxx.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 the cities and other political subdivisions to contract with the District, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the District is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts,

entertainment, economic development, safety, and the public welfare in the District.

(c) The District is created to supplement and not to supplant municipal services provided in the District.

(d) The District is created to provide a statutory structure for the collaboration of political subdivisions necessary for the creation of the Cotton Belt Commuter Rail Corridor and related facilities, and to serve as the tax exempt entity for financing the development of the rail corridor.

Sec. xxxx.004. 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 other powers granted under this chapter.

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

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

(2) eliminating unemployment and underemployment;

(3) developing or expanding transportation and commerce;

and

(4) providing quality residential housing.

(d) The District will:

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

(2) provide needed funding for the District to develop, preserve, maintain, and enhance the economic health and vitality of the District territory as a commuter rail corridor, with residential community development and commercial and business center; and

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

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

(g) The District will not act as the agent or

instrumentality of any private interest even though the District will benefit many private interests as well as the public.

Sec. xxxx.005. DISTRICT TERRITORY. (a) The District is initially composed of the territory described by Section 2 of the Act enacting this chapter, and includes territory that is wholly or partially within twelve municipalities and three counties.

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

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the District is created or to pay the principal of and interest on a bond;

(3) right to impose or collect an assessment or tax;

or

(4) legality or operation.

Sec. xxxx.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 under Chapter 311, Tax Code;

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

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial District created under Chapter 42, Local Government Code.

(b) Any city within the boundary of the District which creates a tax increment reinvestment zone described by Subsection (a), that city and the board of directors of the zone, by contract with the District, may grant money deposited in the tax increment fund to the District to be used by the District for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the District for an improvement project. A project may not receive public funds under Section 380.002(b), Local Government Code, unless the project complies with a development agreement entered into under Section xxxx.207.

(c) A tax increment reinvestment zone created by any city in the District is not subject to the limitations provided by Section 311.006(b), Tax Code.

(d) A tax increment reinvestment zone or a tax abatement reinvestment zone may not include territory in the District

unless the governing body of the municipality creating the reinvestment zone approves the inclusion.

Sec. xxxx.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the District.

Sec. xxxx.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

[Sections xxxx.009-xxxx.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. xxxx.051. GOVERNING BODY; TERMS. (a) The District is governed by a board of sixteen voting directors who serve staggered terms of four years, with the odd numbered position terms expiring June 1, 2015. Even numbered positions will serve their initial term, expiring on June 1, 2017.

(b) Each participating municipality in the District shall appoint one director to represent their city.

(c) Each regional transit agency serving the District may appoint one director to serve on the Board.

(d) The DFW Airport may appoint a director to serve on the board.

Sec. xxxx.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY A CITY. (a) To be qualified to serve as a director appointed by

the governing body of a city, a person must be:

(1) a resident of the District;

(2) an owner of property in the District;

(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the District;

(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the District;

(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or

(6) a representative nominated and approved by the governing body of the City.

(b) Section 49.052, Water Code, does not apply to the District.

Sec.0000.053 QUALIFICATION OF DIRECTORS APPOINTED BY A TRANSIT AGENCY. (a) To be qualified to serve as a director appointed by a Transit Agency, a person must be:

(1) A resident of the District;

(2) A person employed by such agency; and

(3) A person nominated and approved by the agency board of directors as the agency representative.

Sec. xxxx.054. APPOINTMENT OF DIRECTORS. The governing bodies of each participating municipality, or transit agency shall appoint or reappoint Directors representing their entity operating under sections 0000.052, or 0000.053..

Sec. xxxx.055. VACANCY. If a vacancy occurs on the Board, the appointing entity shall fill the vacancy by nomination and approval of its respective governing body.

Sec. xxxx.056. DIRECTOR'S OATH OR AFFIRMATION. (a) 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.

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

Sec. xxxx.057. OFFICERS. The Board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Sec. xxxx.058. COMPENSATION; EXPENSES. A director is not entitled to compensation but is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of the board.

Sec. xxxx.059. LIABILITY INSURANCE. The District may

obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the Board;

(2) actions and activities taken by the District; or

(3) the actions of others acting on behalf of the District.

Sec. xxxx.060. EXECUTIVE COMMITTEE. (a) The Board may create an Executive Committee to exercise the powers of the Board, specifically delegated to such committee by the Board, and which powers will be defined by the Board with the adoption of administrative procedures for the District.

(b) The Executive Committee shall be comprised of five directors.

(c) The Executive Committee members shall be elected by majority vote of the District Board

(d) The Executive Committee shall be representative of both the East Sector Cities and the West Sector Cities, with four members nominated to represent the Cities as follows: (1) two members nominated from Directors appointed by the East Sector Cities, providing one Director will represent those East

Sector Cities with a population of less than 500,000 population, and one Director will represent those East Sector Cities with a population greater than or equal to 500,000 population, and (2) two members nominated from Directors appointed by the West Sector Cities, providing one Director will represent those West Sector Cities with less than 500,000 population, and one Director will represent those West Sector Cities with a population greater than or equal to 500,000.(e) The Executive Committee shall include at least one Transit Agency Director on the committee.

Sec. xxxx.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Sec. xxxx.062. INITIAL DIRECTORS. (a) The initial board consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	_____
<u>2</u>	_____
<u>3</u>	_____
<u>4</u>	_____
<u>5</u>	_____
<u>6</u>	_____

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(b) Section xxxx.052-xxxx.053 does not apply to this section.

(c) This section expires September 1, 2017.

[Sections xxxx.063-xxxx.-090 reserved for expansion]

SUBCHAPTER B-1-LOCAL ASSESSMENT ADVISORY BOARD

Sec xxxx.091. LOCAL ASSESSMENT ADVISORY BOARD (a)
shall be appointed by the City Council of each municipality
where assessment revenues are generated and shall consist of the
member appointed to the District board by that City, and include
two additional members appointed by that City Council.

(b) Terms for the local assessment advisory board shall be
the same as the term for the jurisdiction's representative on

the District Board.

(c) vacancies on the local assessment advisory board shall be filed by the city council appointing the advisory board members.

Sec. xxxx.092 POWERS OF THE LOCAL ASSESSMENT ADVISORY BOARD shall include (a) review and approval of assessment petitions submitted to the board under Sec. xxxx.155(c) (3) and, (b) approve, subject to the consent of that advisory board's appointing City Council, the use of revenues generated by assessments in the City's portion of the District for non-rail project costs, and;

(b) Any other powers granted to the Advisory Board by the City Council

(Sec. xxxx.093–Sec. xxxx.100 are reserved for expansion.)

SUBCHAPTER C. POWERS AND DUTIES

Sec. xxxx.101. GENERAL POWERS AND DUTIES. The District has the powers and duties necessary to accomplish the purposes for which the District is created.

Sec. xxxx.102. DEVELOPMENT CORPORATION POWERS. The District, using money available to the District, may, unless otherwise provided for herein, 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. xxxx.103. 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 providing a service authorized by this chapter.

(b) The nonprofit corporation:

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

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

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

Sec. xxxx.104. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, the District may make an agreement with or accept a gift, grant, or loan from any person.

(b) The District and the Transit Authorities shall coordinate their pursuit of State and Federal transportation

grants.

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

Sec. xxxx.105. LAW ENFORCEMENT SERVICES. To protect the public interest, the District may contract with a qualified party, including a county or a city, to provide law enforcement services in the District for a fee.

Sec. xxxx.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The District may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a District purpose.

Sec. xxxx.107. ECONOMIC DEVELOPMENT. (a) The District may engage in activities that accomplish the economic development purposes of the District.

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

- (1) make loans and grants of public money; and
- (2) provide District personnel and services.

(c) The District may create economic development programs and exercise the economic development powers that:

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

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

Sec. xxxx.108. PARKING FACILITIES. (a) The District may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The District's parking facilities serve the public purposes of the District and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The District's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the District's parking facilities may be considered an economic development program.

Sec. xxxx.110 RAIL FACILITIES (a) The Transit Authority or Authorities or their assignees shall, consistent with a final

agreement with the District and with standards and practices employed by such Authorities, using funds derived from the District, or any other lawful source, including grant funding:

(i) design, construct, operate, and maintain infrastructure associated with commuter rail operations in the Cotton Belt Corridor; and

(ii) subject to applicable trackage rights agreements, operate and maintain all aspects of the commuter rail service in the Cotton Belt Corridor.

(b) (i) In the event that the Transit Authority or Authorities fail or refuse to perform in accordance with paragraph (a), the District may acquire, design, construct, redevelop, maintain and operate commuter rail facilities throughout the Cotton Belt Corridor, including through a local government corporation created by the District for that purpose.

(ii) The District will have the powers of Title 5, Subtitle B, Chapter 91, Subchapter A, Sec.91.004.

(iii) The District shall exercise such authority consistent with negotiated agreements with the Transit Authorities for use of the Cotton Belt Corridor.

(c)The District is not subject to Section 91.005 of the aforementioned section of Title 5.

Sec. xxxx.111. NO EMINENT DOMAIN POWER. Notwithstanding references made herein granting the District powers under other Chapters of Texas law, the District may not exercise the power of eminent domain.

[Sections xxxx.110-xxxx.130 reserved for expansion]

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. xxxx.131. 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 or Chapter 375, Local Government Code.

Sec. xxxx.132. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section xxxx.131 may be located:

(1) in the District; or

(2) in an area outside but adjacent to the District if the project is for the purpose of extending a public infrastructure improvement beyond the District's boundaries to a logical terminus.

Sec. xxxx.133. CONSOLIDATION WITH OTHER MUNICIPAL MANAGEMENT DISTRICTS. Subchapter P of Chapter 375, Texas Local Government Code applies to the District. The District board of directors can vote to approve and authorize a merger of territory within the boundary of another independently created management District, Sec. xxxx.155. and all sections of Subchapter E of this statute.

Sec. xxxx.134. DEVELOPMENT PLAN REQUIRED TO UNDERTAKE IMPROVEMENT PROJECTS, IMPOSE TAXES OR ASSESSMENTS AND BORROW MONEY, INCLUDING BONDS. (a) After the district's board of directors is organized, but before the district may undertake any improvement project, issue bonds, impose taxes, levy assessments or fees, or borrow money, the district board of directors must approve a development plan for the district that delineates :

(1) the exercise of the powers granted to the district under this Chapter, including the organization, development and operation of the district;

(2) the selection and description of improvement projects that may be undertaken and financed by the district and the ownership, operation, and maintenance thereof, including the number, location and construction of rail stations in each City;

(3) the terms, conditions, methods, means, and amounts of each financing authorized by this Chapter that the district may undertake in providing improvement projects; and

(4) the estimated amounts, methods, and times of payments by the Cities for costs and expenses incurred in the development of the project, including the projected financing costs with respect to the development and operation of the district and the financing of improvement projects by the district.

(b) This development plan, and any amendment to this development plan, must be approved by majority vote of the board, based on a weighted vote of the directors of the board, as follows:

(1) Directors appointed by the Cities will be allowed to cast the following number of votes: Fort Worth, 9; Haltom City, 1; North Richland Hills, 2; Grapevine, 2; Coppell, 1; Carrollton, 1; Addison, 1; Dallas, 4; Richardson, 2; and Plano, 2. If the number of rail stations in a City exceeds the number of votes allocated above to that City, the director appointed by that City shall instead be allowed to cast the same number of votes as there are rail stations located within the City. Directors

appointed the Transit Authorities and the DFW Airport shall each have 1 vote.

(2)A majority of the weighted votes of the Directors appointed by the East Sector Cities and a majority of the weighted votes of the Directors appointed by the West Sector Cities are required in order for the development plan or any amendment to the development plan to be approved.

[Sections xxxx.134-xxxx.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. xxxx.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the District's money.

Sec. xxxx.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The District may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the District.

Sec. xxxx.154 SUBDIVISION OF THE DISTRICT

The District may subdivide into subDistricts for the purpose of establishing separate assessments and assessment rates or taxes.

Sec. xxxx.155. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board by the owner of the property(s) subject to assessment.

(b) A property owned by an individual property owner, who specifically petitions for a levy and assessment on that property, will be subject to assessment for the duration of the service and assessment plan for the District. Such assessment will retain the character of assessment revenues authorized by Chapter 375, Texas Local Government Code.

4) assessments levied as provided by Sec. xxxx.155 will be subject to Sec. xxxx.157

(d) The subDistricts include the following: (list them)

Sec. xxxx.154. METHOD OF NOTICE FOR HEARING. (a) The District, including its subDistricts, may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall

determine the method of notice.

(b) Each subDistrict will be required to mail notice required by Section 375.115(c) for its respective proposed assessment.

Sec. xxxx.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the District, subject to Sec. xxxx.157

(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;

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

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

(c) The lien is effective from the date of the board's

resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(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 the manner required for additional assessments.

Sec. xxxx.156. TAX AND ASSESSMENT ABATEMENTS. The District may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Sec. xxxx.157. LIMITATION ON ASSESSMENTS. (a) Any proposed use of assessment revenue for non-rail development project costs within a taxing jurisdiction where assessments are levied shall be subject to the approval of the governing body of that taxing jurisdiction,

(b) the board of the District shall decide how assessment revenues generated for rail project costs will be used by the District (c) The board may not assess property belonging to the Transit Authorities.

[Sections xxxx.157-xxxx.200 reserved for expansion]

SUBCHAPTER E. TAXES AND BONDS

Sec. xxxx.201. BONDS AND OTHER OBLIGATIONS. (a) The District may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by Subchapter A, Chapter 372, or Subchapter J, Chapter 375, Local Government Code.

(b) In exercising the District's borrowing power, the District may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the District, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, District bonds may be secured and made payable wholly or partly by a pledge of any part of the money the District receives from improvement revenue or from any other source.

(d) Prior to the issuance of a bond or other similar indebtedness or guarantee of another's indebtedness, the district must also receive the approval of the board, by weighted vote, consistent with section xxxx.134(c).

Sec. xxxx.202. BOND MATURITY. Bonds may mature not more than 30 years from their date of issue.

Sec. xxxx.203. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax for each year that all or part of the bonds are outstanding; and

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

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

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

Sec. xxxx.204. ELECTION REQUIRED FOR TAXES OR BONDS. (a) The District must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the District may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(b) any ad valorem tax approved pursuant to Sec. xxxx.205 (a) must also receive the approval and consent of the city council of the city where the tax is to be levied.

Sec. xxxx.205. HOTEL OCCUPANCY TAX. (a) The District may

impose a hotel occupancy tax in the manner that Chapter 351, Tax Code, provides for a municipality.

(b) A tax imposed under this section may not exceed the maximum rate under Section 351.003(a), Tax Code.

Sec. xxxx.206. CERTAIN SINGLE-FAMILY RESIDENTIAL PROPERTY EXEMPT. (a) The District may not impose an assessment or tax on a single-family residential property that:

(1) is in the territory described by Section 2 of the Act creating the District; and

(2) exists as of the effective date of the Act enacting this chapter.

(b) Section 375.161, Local Government Code, does not apply to the District.

Sec. xxxx.207. DEVELOPMENT AGREEMENT. The District may enter into development agreements that requires the District to reimburse one or more developers for the costs associated with constructing and maintaining an improvement project. The District may use revenue from taxes and assessments to reimburse a developer under this section.

[Sections xxxx.208-xxxx.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. xxxx.251. DISSOLUTION BY MUNICIPALITIES. (a) Chapter 375.314 of the Texas Local Government Code does not apply to the

District.

(b) A City may terminate its participation in the District by Ordinance, subject to Section. xxxx.251(c)

(c) If a city elects to terminate its participation in the District, the City's financial obligation to the District will continue until the City's share of District's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, and may be paid from any lawful source available to the City.

(c) If the District enters a development agreement(s) under Section xxxx.207, the city may not terminate its participation in the District until its share of obligations as set forth in the agreement has been fulfilled, including any right or obligation the District has to reimburse a developer or owner for the costs of improvement projects.

xxxx.253 SUNSET TERMINATION OF THE DISTRICT (a) If within seven years of the effective date of the statute, the District Board has not approved financing agreements necessary to finance all or part of the project, or approve the Development Plan set forth in Section xxxx.134, the District shall terminate.

SECTION 2. The Cotton Belt Rail Development District initially includes all the territory contained in the following

area: NEED TO ADD LANGUAGE DEFINING THE ROW AND DEVELOPMENT
PARCELS AROUND EACH STOP.

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

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

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

(d) The general law relating to consent by political
subdivisions to the creation of Districts with conservation,
reclamation, and road powers and the inclusion of land in those
Districts has been complied with.

(e) All requirements of the constitution and laws of this
state and the rules and procedures of the legislature with
respect to the notice, introduction, and passage of this Act

have been fulfilled and accomplished.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013.

DRAFT