

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 4. DEVELOPMENT AND IMPROVEMENT
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT
CHAPTER 3793. TRR 243 MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3793.0101. DEFINITIONS. In this chapter:

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0102. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution. Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0103. 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 city 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) This chapter and the creation of the district may not be interpreted to relieve the city from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the city services provided in the district.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. [4590](#)), Sec. 1, eff. September 1, 2021.

Sec. 3793.0104. 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 district is created to accomplish the purposes of a municipal management district as provided by general law and Sections [52](#) and [52-a](#), Article III, and Section [59](#), Article XVI, Texas Constitution.

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

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

(2) eliminate unemployment and underemployment;

(3) develop or expand transportation and commerce; and

(4) provide quality residential housing.

(e) 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 preserve, maintain, and enhance the economic health and vitality of the district territory as a community 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.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

(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 contract;
- (3) authority to borrow money or issue bonds or other obligations described by Section 3793.0501 or to pay the principal and interest of the bonds or other obligations;
- (4) right to impose or collect an assessment, or collect other revenue; or
- (5) legality or operation.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

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

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

SUBCHAPTER B. BOARD OF DIRECTORS

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

(b) A person recommended by the board under Subsection (a) must be:

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0205. 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 city.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0206. 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.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0208. 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.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0209. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board. Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

SUBCHAPTER C. POWERS AND DUTIES

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) Subject to Subsection (b), 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.

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0303. LOCATION OF IMPROVEMENT PROJECT. A district improvement project may be located inside or outside of the district.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1,

eff. September 1, 2021.

Sec. 3793.0304. OWNERSHIP OF IMPROVEMENT PROJECTS.

(a) Before a district improvement project may be put into operation, the district must transfer ownership of the project to the city.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3793.0401. 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.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0403. METHOD OF NOTICE FOR HEARING. The district 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.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

Sec. 3793.0404. 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.

(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 are:

(1) a first and prior lien against the property assessed;

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

(3) 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.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. [4590](#)), Sec. 1, eff. September 1, 2021.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. [4590](#)), Sec. 1, eff. September 1, 2021.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3793.0501. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by 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 [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) Not later than the 30th day before the date the district holds a bond sale, the district shall provide the governing body of the city written notice of the sale.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

SUBCHAPTER F. DISSOLUTION

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

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

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

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

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1, eff. September 1, 2021.

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

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

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

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations.

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. 4590), Sec. 1,

eff. September 1, 2021.

Sec. 3793.0603. ASSUMPTION OF ASSETS AND LIABILITIES.

(a) After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

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

Added by Acts 2021, 87th Leg., R.S., Ch. 986 (H.B. [4590](#)), Sec. 1, eff. September 1, 2021.