

TOWN OF ADDISON, TEXAS

RESOLUTION NO. R12-029

**A RESOLUTION OF THE TOWN OF ADDISON, TEXAS
DECLARING THE TOWN'S SUPPORT OF PROPOSED
LEGISLATION THAT WOULD AUTHORIZE THE CREATION OF
THE COTTON BELT RAIL IMPROVEMENT DISTRICT;
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Town of Addison, Texas ("City") has received a request from promoters of the development of the Cotton Belt Rail Improvement District that the City support proposed legislation that would authorize the creation of a special purpose district to facilitate the development of the Cotton Belt passenger rail project along the approximately 62-mile Cotton Belt rail corridor (or any portion of it) that extends from southwest Fort Worth to Plano; and

WHEREAS, the City will benefit from the creation of this district, including the development of commuter rail within the City, which rail project will be of significant importance to the long term future growth of the City and of benefit to its citizens; and

WHEREAS, it is contemplated that one rail station within an area totaling approximately 300 acres of developable land will be included in the special purpose district within the city limits of the City; and

WHEREAS, it is contemplated that the special purpose district will facilitate the development of the Cotton Belt passenger rail project by providing a funding mechanism to assist with the financing of the project; and

WHEREAS, it is contemplated that revenues from existing or newly created tax increment reinvestment zones, revenues from public improvement districts, and other economic development streams of revenue of the City, may be utilized to assist with the development of the project; and

WHEREAS, the proposed legislation to create the Cotton Belt Rail Improvement District, to be filed in the regular session of the 83rd Texas Legislature, is consistent with Chapter 375 of the Texas Local Government Code.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS:


Section 1. The City Council hereby declares its support of proposed legislation that would authorize the creation of the Cotton Belt Rail Improvement District by the Legislature of the State of Texas, a draft copy of which legislation, to be filed in the regular session of the 83rd Texas Legislature, is attached to this Resolution.

Section 2. The City Council officially finds, determines, recites and declares that a sufficient written notice of the meeting of the City Council (including the meeting date, hour,

and location) at which this Resolution was passed and approved, including notice of the subject matter of this Resolution and the City Council's consideration of approval thereof, was posted in accordance with law; and that the said meeting was open to the public as required by law at all times during which this Resolution was discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

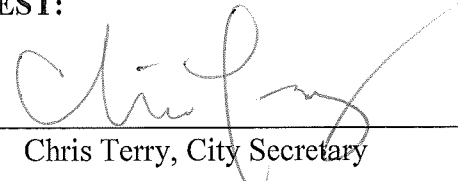
Section 3. This Resolution shall take effect upon its passage and approval.

PASSED AND APPROVED by the City Council of the Town of Addison, Texas this 11th day of December, 2012.



Todd Meier, Mayor

ATTEST:

By: 

Chris Terry, City Secretary

APPROVED AS TO FORM:

By: 

John Hill, City Attorney

Exhibit A---Copy of the Draft Bill

83rd Regular

By: TBD

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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, Southlake, 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) "Managing Local Government Corporation" means the local government corporation formed under Texas Transportation Code Section 431.

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(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 272, 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 Tarrant County Transit 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.

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

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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;

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(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.

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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.

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(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 nineteen voting directors who serve staggered terms of four years, with the odd numbered position terms expiring June 1, 2014. Even numbered positions will serve their initial term, expiring on June 1, 2017.

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

(c) Each regional transit agency serving the District may appoint one 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; or

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

(6) A representative nominated and approved by the

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

Sec. 0000.054 QUALIFICATION OF DIRECTORS APPOINTED BY A COUNTY. (a) To be qualified to serve as a director appointed by the governing body of a county, 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; or
- (5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4).
- (6) a representative nominated and approved by the

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Commissioner Court for that county.

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

Sec. xxxx.055. APPOINTMENT OF DIRECTORS. The governing bodies of each participating municipality, county, or transit agency shall appoint or reappoint Directors representing their entity operating under sections 0000.052, 0000.053, or 0000.054.

Sec. xxxx.056. VACANCY. If a vacancy occurs on the board, the appointing entity shall fill the vacancy by nomination and approval of their respective governing body.

Sec. xxxx.057. 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.

Sec. xxxx.058. 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.059. 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.

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Sec. xxxx.060. 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.061. EXECUTIVE COMMITTEE. (a) The board may create an executive committee to exercise the powers of the board.

(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 include at least one Transit Agency Director on the committee.

Sec. xxxx.062. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Sec. xxxx.063. INITIAL DIRECTORS. (a) The initial board consists of:

Pos. No. Name of Director

1 _____

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2 _____
3 _____
4 _____
5 _____
6 _____
7 _____
8 _____
9 _____
10 _____
11 _____
12 _____
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14 _____
15 _____
16 _____
17 _____
18 _____
19 _____

(b) Section xxxx.052-xxxx.054 does not apply to this section.

(c) This section expires September 1, 2017.

[Sections xxxx.062-xxxx.-090 reserved for expansion]

SUBCHAPTER B-1-LOCAL ASSESSMENT ADVISORY BOARD

Sec xxxx.091. LOCAL ASSESSMENT ADVISORY BOARD (a)

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shall be appointed by the City Council of each taxing jurisdiction 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.

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.

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Sec. xxxx.102. DEVELOPMENT CORPORATION POWERS. The district, using money available to the district, may 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.

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(b) 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 the county or the 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,

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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 district may acquire, construct, redevelop and operate commuter rail facilities throughout the district corridor, subject to Sec. xxxx.112

(b) The district will have the powers of Title 5, Subtitle B, Chapter 91, Subchapter A, Sec.91.004, subject to Sec. xxxx.112

(c) The district is not subject to Section 91.005 of the

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aforementioned section of Title 5.

(d) On behalf of the district and consistent with system financing and value capture requirements established by the district, the Managing Local Government Corporation may:

(i) design, construct, operate, and maintain station platforms and infrastructure associated with commuter rail operations in the district.

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

Sec. xxxx.111. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. xxxx.112 CREATION OF NEW TRANSIT AUTHORITY . The District may not create a new transit authority to replace those transit authorities defined in Subchapter A, Section xxxx.001 (8) of this Statute.

(b) Participation by Transit Authorities in the development of the rail corridor, including its design, construction, operation, and maintenance, shall be subject to the approval of a final agreement between a Transit Authority or Authorities and the district board of directors.

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

SUBCHAPTER C-1. IMPROVEMENT PROJECTS

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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. PREREQUISITES FOR IMPROVEMENT PROJECTS. The district may not construct an improvement project unless:

- (1) the owner of the land on which the improvement project will be constructed records a plat in the map and plat records of the county in which the district is located; and
- (2) the planning commission of the city approves the plat.

Sec. xxxx.134. ADDITIONAL DISTRICT DUTIES REGARDING IMPROVEMENT PROJECTS. The district shall:

- (1) submit written notice to the city administrator or the administrator's designee of the anticipated date construction

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of an improvement project will begin;

(2) construct the improvement project to comply with a development agreement entered into under Section xxxx.207;

(3) comply with applicable city ordinances, resolutions, and regulations when constructing and maintaining an improvement project;

(4) allow a representative of the city to inspect an improvement project during construction to assess the project's compliance with applicable city ordinances, resolutions, and regulations;

(5) alter an improvement project to comply with applicable city ordinances, resolutions, and regulations if the representative of the city provides the district with written notice that the improvement project does not comply with applicable city ordinances, resolutions, and regulations; and

(6) obtain any necessary permits from city, county, state, or federal authorities to construct and maintain an improvement project.

Sec. xxxx.135. LICENSE AND CERTIFICATION REQUIREMENTS. The district may not contract with or employ a person to plan or construct an improvement project unless the person is licensed or certified in an area relating to planning or construction, as applicable.

Sec. xxxx.136. CONSOLIDATION WITH OTHER MUNICIPAL MANAGEMENT DISTRICTS. Subchapter P of Chapter 375, Texas Local

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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.

[Sections xxxx.136-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

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has been filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county, subject to section xxxx.153(c); or.

(c) In areas where the district has subdivided, assessments in subdivided areas will be subject to a separate petition filed with the board by either;

1) of a majority of the property owners in that subdistrict; or

2) at least 25 persons who own real property in the subdistrict subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for the County in which the subdistrict is located, or,

3) an individual property owner, specifically requesting a levy and assessment on property owned by the petitioner, which assessment will be for the duration of the service and assessment plan for the district, and retaining the character of assessment revenues authorized by Chapter 375, Texas Local Government Code.

4) assessments levied as provided by Sec. xxxx.155 (c) (3) will be subject to Sec. xxxx.157

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

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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

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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 the how assessment revenues generated for rail project costs will be used by the District

[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

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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.

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

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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

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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.

SECTION 2. The Cotton Belt Rail Development District

H.B. No.

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.

H.B. No.

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.

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