

1-1 By: Vasut (Senate Sponsor - Taylor) H.B. No. 4612  
1-2 (In the Senate - Received from the House May 10, 2021;  
1-3 May 10, 2021, read first time and referred to Committee on Local  
1-4 Government; May 20, 2021, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0;  
1-6 May 20, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	<u>Bettencourt</u>	X		
1-10	<u>Menéndez</u>	X		
1-11	<u>Eckhardt</u>	X		
1-12	<u>Gutierrez</u>	X		
1-13	<u>Hall</u>	X		
1-14	<u>Nichols</u>	X		
1-15	<u>Paxton</u>	X		
1-16	<u>Springer</u>	X		
1-17	<u>Zaffirini</u>	X		

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 4612 By: Eckhardt

1-19 A BILL TO BE ENTITLED  
1-20 AN ACT

1-21 relating to the creation of the Brazoria County Management District  
1-22 No. 2; providing authority to issue bonds; providing authority to  
1-23 impose assessments, fees, and taxes.

1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-25 SECTION 1. Subtitle C, Title 4, Special District Local Laws  
1-26 Code, is amended by adding Chapter 3945 to read as follows:

1-27 CHAPTER 3945. BRAZORIA COUNTY MANAGEMENT DISTRICT NO. 2

1-28 SUBCHAPTER A. GENERAL PROVISIONS

1-29 Sec. 3945.0101. DEFINITIONS. In this chapter:

1-30 (1) "Board" means the district's board of directors.

1-31 (2) "County" means Brazoria County.

1-32 (3) "Director" means a board member.

1-33 (4) "District" means the Brazoria County Management  
1-34 District No. 2.

1-35 Sec. 3945.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-36 (a) The Brazoria County Management District No. 2 is a special  
1-37 district created under Section 59, Article XVI, Texas Constitution.

1-38 (b) The district is a governmental unit, as provided by  
1-39 Section 375.004, Local Government Code.

1-40 (c) This chapter does not waive any governmental or  
1-41 sovereign immunity from suit, liability, or judgment that would  
1-42 otherwise apply to the district.

1-43 Sec. 3945.0103. PURPOSE; DECLARATION OF INTENT. (a) The  
1-44 creation of the district is essential to accomplish the purposes of  
1-45 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
1-46 Texas Constitution, and other public purposes stated in this  
1-47 chapter.

1-48 (b) By creating the district, the legislature has  
1-49 established a program to accomplish the public purposes set out in  
1-50 Sections 52 and 52-a, Article III, Texas Constitution.

1-51 (c) The creation of the district is necessary to promote,  
1-52 develop, encourage, and maintain employment, commerce,  
1-53 transportation, housing, tourism, recreation, the arts,  
1-54 entertainment, economic development, safety, and the public  
1-55 welfare in the district.

1-56 (d) This chapter and the creation of the district may not be  
1-57 interpreted to relieve the county or a municipality from providing  
1-58 the level of services provided as of the effective date of the Act  
1-59 enacting this chapter to the area in the district. The district is  
1-60 created to supplement and not to supplant county or municipal

2-1 services provided in the district.  
 2-2 Sec. 3945.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.  
 2-3 (a) All land and other property included in the district will  
 2-4 benefit from the improvements and services to be provided by the  
 2-5 district under powers conferred by Sections 52 and 52-a, Article  
 2-6 III, and Section 59, Article XVI, Texas Constitution, and other  
 2-7 powers granted under this chapter.  
 2-8 (b) The district is created to serve a public use and  
 2-9 benefit.  
 2-10 (c) The creation of the district is in the public interest  
 2-11 and is essential to further the public purposes of:  
 2-12 (1) developing and diversifying the economy of the  
 2-13 state;  
 2-14 (2) eliminating unemployment and underemployment; and  
 2-15 (3) developing or expanding transportation and  
 2-16 commerce.  
 2-17 (d) The district will:  
 2-18 (1) promote the health, safety, and general welfare of  
 2-19 residents, employers, potential employees, employees, visitors,  
 2-20 and consumers in the district, and of the public;  
 2-21 (2) provide needed funding for the district to  
 2-22 preserve, maintain, and enhance the economic health and vitality of  
 2-23 the district territory as a community and business center;  
 2-24 (3) promote the health, safety, welfare, and enjoyment  
 2-25 of the public by providing pedestrian ways, transit facilities,  
 2-26 parking facilities, and public art objects, and by landscaping and  
 2-27 developing certain areas in the district, which are necessary for  
 2-28 the restoration, preservation, and enhancement of scenic beauty;  
 2-29 and  
 2-30 (4) provide for water, wastewater, drainage, road, and  
 2-31 recreational facilities for the district.  
 2-32 (e) Pedestrian ways along or across a street, whether at  
 2-33 grade or above or below the surface, and street lighting, street  
 2-34 landscaping, parking, and street art objects are parts of and  
 2-35 necessary components of a street and are considered to be a street  
 2-36 or road improvement.  
 2-37 (f) The district will not act as the agent or  
 2-38 instrumentality of any private interest even though the district  
 2-39 will benefit many private interests as well as the public.  
 2-40 Sec. 3945.0105. INITIAL DISTRICT TERRITORY. (a) The  
 2-41 district is initially composed of the territory described by  
 2-42 Section 2 of the Act enacting this chapter.  
 2-43 (b) The boundaries and field notes contained in Section 2 of  
 2-44 the Act enacting this chapter form a closure. A mistake in the  
 2-45 field notes or in copying the field notes in the legislative process  
 2-46 does not affect the district's:  
 2-47 (1) organization, existence, or validity;  
 2-48 (2) right to issue any type of bonds for the purposes  
 2-49 for which the district is created or to pay the principal of and  
 2-50 interest on the bonds;  
 2-51 (3) right to impose or collect an assessment or tax; or  
 2-52 (4) legality or operation.  
 2-53 Sec. 3945.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.  
 2-54 All or any part of the area of the district is eligible to be  
 2-55 included in one or more of the following:  
 2-56 (1) a tax increment reinvestment zone created under  
 2-57 Chapter 311, Tax Code;  
 2-58 (2) a tax abatement reinvestment zone created under  
 2-59 Chapter 312, Tax Code;  
 2-60 (3) an enterprise zone created under Chapter 2303,  
 2-61 Government Code; or  
 2-62 (4) an industrial district created under Chapter 42,  
 2-63 Local Government Code.  
 2-64 Sec. 3945.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT  
 2-65 DISTRICTS LAW. Except as otherwise provided by this chapter,  
 2-66 Chapter 375, Local Government Code, applies to the district.  
 2-67 Sec. 3945.0108. CONSTRUCTION OF CHAPTER. This chapter  
 2-68 shall be liberally construed in conformity with the findings and  
 2-69 purposes stated in this chapter.

3-1 Sec. 3945.0109. CONFLICTS OF LAW. This chapter prevails  
 3-2 over any provision of general law, including a provision of Chapter  
 3-3 375, Local Government Code, or Chapter 49, Water Code, that is in  
 3-4 conflict or inconsistent with this chapter.

3-5 SUBCHAPTER B. BOARD OF DIRECTORS

3-6 Sec. 3945.0201. GOVERNING BODY; TERMS. (a) The district is  
 3-7 governed by a board of five directors elected or appointed as  
 3-8 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-9 (b) Except as provided by Section 3945.0203, directors  
 3-10 serve staggered four-year terms.

3-11 Sec. 3945.0202. COMPENSATION. A director is entitled to  
 3-12 receive fees of office and reimbursement for actual expenses as  
 3-13 provided by Section 49.060, Water Code. Sections 375.069 and  
 3-14 375.070, Local Government Code, do not apply to the board.

3-15 Sec. 3945.0203. TEMPORARY DIRECTORS. (a) On or after the  
 3-16 effective date of the Act creating this chapter, the owner or owners  
 3-17 of a majority of the assessed value of the real property in the  
 3-18 district according to the most recent certified tax appraisal roll  
 3-19 for the county may submit a petition to the Texas Commission on  
 3-20 Environmental Quality requesting that the commission appoint as  
 3-21 temporary directors the five persons named in the petition. The  
 3-22 commission shall appoint as temporary directors the five persons  
 3-23 named in the petition.

3-24 (b) The temporary or successor temporary directors shall  
 3-25 hold an election to elect five permanent directors as provided by  
 3-26 Section 49.102, Water Code.

3-27 (c) Temporary directors serve until the earlier of:

3-28 (1) the date permanent directors are elected under  
 3-29 Subsection (b); or

3-30 (2) the fourth anniversary of the effective date of  
 3-31 the Act creating this chapter.

3-32 (d) If permanent directors have not been elected under  
 3-33 Subsection (b) and the terms of the temporary directors have  
 3-34 expired, successor temporary directors shall be appointed or  
 3-35 reappointed as provided by Subsection (e) to serve terms that  
 3-36 expire on the earlier of:

3-37 (1) the date permanent directors are elected under  
 3-38 Subsection (b); or

3-39 (2) the fourth anniversary of the date of the  
 3-40 appointment or reappointment.

3-41 (e) If Subsection (d) applies, the owner or owners of a  
 3-42 majority of the assessed value of the real property in the district  
 3-43 according to the most recent certified tax appraisal roll for the  
 3-44 county may submit a petition to the Texas Commission on  
 3-45 Environmental Quality requesting that the commission appoint as  
 3-46 successor temporary directors the five persons named in the  
 3-47 petition. The commission shall appoint as successor temporary  
 3-48 directors the five persons named in the petition.

3-49 Sec. 3945.0204. DISQUALIFICATION OF DIRECTORS. Section  
 3-50 49.052, Water Code, applies to the members of the board.

3-51 SUBCHAPTER C. POWERS AND DUTIES

3-52 Sec. 3945.0301. GENERAL POWERS AND DUTIES. The district  
 3-53 has the powers and duties necessary to accomplish the purposes for  
 3-54 which the district is created.

3-55 Sec. 3945.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)  
 3-56 The district, using any money available to the district for the  
 3-57 purpose, may provide, design, construct, acquire, improve,  
 3-58 relocate, operate, maintain, or finance an improvement project or  
 3-59 service authorized under this chapter or Chapter 375, Local  
 3-60 Government Code.

3-61 (b) The district may contract with a governmental or private  
 3-62 entity to carry out an action under Subsection (a).

3-63 (c) The implementation of a district project or service is a  
 3-64 governmental function or service for the purposes of Chapter 791,  
 3-65 Government Code.

3-66 Sec. 3945.0303. RECREATIONAL FACILITIES. The district may  
 3-67 develop or finance recreational facilities as authorized by Chapter  
 3-68 375, Local Government Code, Sections 52 and 52-a, Article III,  
 3-69 Texas Constitution, Section 59, Article XVI, Texas Constitution,

4-1 and any other law that applies to the district.

4-2 Sec. 3945.0304. AUTHORITY FOR ROAD PROJECTS. Under Section  
 4-3 52, Article III, Texas Constitution, the district may own, operate,  
 4-4 maintain, design, acquire, construct, finance, issue bonds, notes,  
 4-5 or other obligations for, improve, and convey to this state, a  
 4-6 county, or a municipality for ownership, operation, and maintenance  
 4-7 macadamized, graveled, or paved roads or improvements, including  
 4-8 storm drainage, in aid of those roads.

4-9 Sec. 3945.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

4-10 (a) The district may convey a road project authorized by Section  
 4-11 3945.0304 to:

4-12 (1) a municipality or county that will operate and  
 4-13 maintain the road if the municipality or county has approved the  
 4-14 plans and specifications of the road project; or

4-15 (2) the state if the state will operate and maintain  
 4-16 the road and the Texas Transportation Commission has approved the  
 4-17 plans and specifications of the road project.

4-18 (b) Except as provided by Subsection (c), the district shall  
 4-19 operate and maintain a road project authorized by Section 3945.0304  
 4-20 that the district implements and does not convey to a municipality,  
 4-21 a county, or this state under Subsection (a).

4-22 (c) The district may agree in writing with a municipality, a  
 4-23 county, or this state to assign operation and maintenance duties to  
 4-24 the district, the municipality, the county, or this state in a  
 4-25 manner other than the manner described in Subsections (a) and (b).

4-26 Sec. 3945.0306. NONPROFIT CORPORATION. (a) The board by  
 4-27 resolution may authorize the creation of a nonprofit corporation to  
 4-28 assist and act for the district in implementing a project or  
 4-29 providing a service authorized by this chapter.

4-30 (b) The nonprofit corporation:

4-31 (1) has each power of and is considered to be a local  
 4-32 government corporation created under Subchapter D, Chapter 431,  
 4-33 Transportation Code; and

4-34 (2) may implement any project and provide any service  
 4-35 authorized by this chapter.

4-36 (c) The board shall appoint the board of directors of the  
 4-37 nonprofit corporation. The board of directors of the nonprofit  
 4-38 corporation shall serve in the same manner as the board of directors  
 4-39 of a local government corporation created under Subchapter D,  
 4-40 Chapter 431, Transportation Code, except that a board member is not  
 4-41 required to reside in the district.

4-42 Sec. 3945.0307. LAW ENFORCEMENT SERVICES. Section 49.216,  
 4-43 Water Code, applies to the district.

4-44 Sec. 3945.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.  
 4-45 The district may join and pay dues to a charitable or nonprofit  
 4-46 organization that performs a service or provides an activity  
 4-47 consistent with the furtherance of a district purpose.

4-48 Sec. 3945.0309. ECONOMIC DEVELOPMENT PROGRAMS. (a) The  
 4-49 district may engage in activities that accomplish the economic  
 4-50 development purposes of the district.

4-51 (b) The district may establish and provide for the  
 4-52 administration of one or more programs to promote state or local  
 4-53 economic development and to stimulate business and commercial  
 4-54 activity in the district, including programs to:

4-55 (1) make loans and grants of public money; and

4-56 (2) provide district personnel and services.

4-57 (c) The district may create economic development programs  
 4-58 and exercise the economic development powers provided to  
 4-59 municipalities by:

4-60 (1) Chapter 380, Local Government Code; and

4-61 (2) Subchapter A, Chapter 1509, Government Code.

4-62 Sec. 3945.0310. STRATEGIC PARTNERSHIP AGREEMENT. The  
 4-63 district may negotiate and enter into a written strategic  
 4-64 partnership agreement with a municipality under Section 43.0751,  
 4-65 Local Government Code.

4-66 Sec. 3945.0311. REGIONAL PARTICIPATION AGREEMENT. The  
 4-67 district may negotiate and enter into a written regional  
 4-68 participation agreement with a municipality under Section 43.0754,  
 4-69 Local Government Code.

5-1 Sec. 3945.0312. PARKING FACILITIES. (a) The district may  
5-2 acquire, lease as lessor or lessee, construct, develop, own,  
5-3 operate, and maintain parking facilities or a system of parking  
5-4 facilities, including lots, garages, parking terminals, or other  
5-5 structures or accommodations for parking motor vehicles off the  
5-6 streets and related appurtenances.

5-7 (b) The district's parking facilities serve the public  
5-8 purposes of the district and are owned, used, and held for a public  
5-9 purpose even if leased or operated by a private entity for a term of  
5-10 years.

5-11 (c) The district's parking facilities are parts of and  
5-12 necessary components of a street and are considered to be a street  
5-13 or road improvement.

5-14 (d) The development and operation of the district's parking  
5-15 facilities may be considered an economic development program.

5-16 Sec. 3945.0313. ADDING OR EXCLUDING LAND. (a) The district  
5-17 may add land in the manner provided by Subchapter J, Chapter 49,  
5-18 Water Code.

5-19 (b) The district may exclude land in the manner provided by  
5-20 Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local  
5-21 Government Code, does not apply to the district.

5-22 (c) The district may include and exclude land as provided by  
5-23 Sections 54.739-54.747, Water Code. A reference in those sections  
5-24 to a "tax" means an ad valorem tax for the purposes of this  
5-25 subsection.

5-26 (d) If the district adopts a sales and use tax authorized at  
5-27 an election held under Section 3945.0602 and subsequently includes  
5-28 new territory in the district under this section, the district:

5-29 (1) is not required to hold another election to  
5-30 approve the imposition of the sales and use tax in the included  
5-31 territory; and

5-32 (2) shall impose the sales and use tax in the included  
5-33 territory as provided by Chapter 321, Tax Code.

5-34 (e) If the district adopts a sales and use tax authorized at  
5-35 an election held under Section 3945.0602 and subsequently excludes  
5-36 territory in the district under this section, the sales and use tax  
5-37 is inapplicable to the excluded territory, as provided by Chapter  
5-38 321, Tax Code, but is applicable to the territory remaining in the  
5-39 district.

5-40 Sec. 3945.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The  
5-41 board by resolution shall establish the number of directors'  
5-42 signatures and the procedure required for a disbursement or  
5-43 transfer of district money.

5-44 Sec. 3945.0315. AUDIT EXEMPTION. (a) The district may  
5-45 elect to complete an annual financial report in lieu of an annual  
5-46 audit under Section 375.096(a)(6), Local Government Code, if:

5-47 (1) the district had no bonds or other long-term (more  
5-48 than one year) liabilities outstanding during the fiscal period;

5-49 (2) the district did not have gross receipts from  
5-50 operations, loans, taxes, assessments, or contributions in excess  
5-51 of \$250,000 during the fiscal period; and

5-52 (3) the district's cash and temporary investments were  
5-53 not in excess of \$250,000 during the fiscal period.

5-54 (b) Each annual financial report prepared in accordance  
5-55 with this section must be open to public inspection and accompanied  
5-56 by an affidavit signed by a duly authorized representative of the  
5-57 district attesting to the accuracy and authenticity of the  
5-58 financial report.

5-59 (c) The annual financial report and affidavit shall be  
5-60 substantially similar in form to the annual financial report and  
5-61 affidavit forms prescribed by the executive director of the Texas  
5-62 Commission on Environmental Quality under Section 49.198, Water  
5-63 Code.

5-64 Sec. 3945.0316. NO EMINENT DOMAIN POWER. The district may  
5-65 not exercise the power of eminent domain.

5-66 SUBCHAPTER D. ASSESSMENTS

5-67 Sec. 3945.0401. PETITION REQUIRED FOR FINANCING SERVICES  
5-68 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a  
5-69 service or improvement project with assessments under this chapter

6-1 unless a written petition requesting that service or improvement  
6-2 has been filed with the board.

6-3 (b) A petition filed under Subsection (a) must be signed by  
6-4 the owners of a majority of the assessed value of real property in  
6-5 the district subject to assessment according to the most recent  
6-6 certified tax appraisal roll for the county.

6-7 Sec. 3945.0402. METHOD OF NOTICE FOR HEARING. The district  
6-8 may mail the notice required by Section 375.115(c), Local  
6-9 Government Code, by certified or first class United States mail.  
6-10 The board shall determine the method of notice.

6-11 Sec. 3945.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)  
6-12 The board by resolution may impose and collect an assessment for any  
6-13 purpose authorized by this chapter in all or any part of the  
6-14 district.

6-15 (b) An assessment, a reassessment, or an assessment  
6-16 resulting from an addition to or correction of the assessment roll  
6-17 by the district, penalties and interest on an assessment or  
6-18 reassessment, an expense of collection, and reasonable attorney's  
6-19 fees incurred by the district:

6-20 (1) are a first and prior lien against the property  
6-21 assessed;

6-22 (2) are superior to any other lien or claim other than  
6-23 a lien or claim for county, school district, or municipal ad valorem  
6-24 taxes; and

6-25 (3) are the personal liability of and a charge against  
6-26 the owners of the property even if the owners are not named in the  
6-27 assessment proceedings.

6-28 (c) The lien is effective from the date of the board's  
6-29 resolution imposing the assessment until the date the assessment is  
6-30 paid. The board may enforce the lien in the same manner that the  
6-31 board may enforce an ad valorem tax lien against real property.

6-32 (d) The board may make a correction to or deletion from the  
6-33 assessment roll that does not increase the amount of assessment of  
6-34 any parcel of land without providing notice and holding a hearing in  
6-35 the manner required for additional assessments.

6-36 SUBCHAPTER E. TAXES AND BONDS

6-37 Sec. 3945.0501. TAX ELECTION REQUIRED. The district must  
6-38 hold an election in the manner provided by Chapter 49, Water Code,  
6-39 or, if applicable, Chapter 375, Local Government Code, to obtain  
6-40 voter approval before the district may impose an ad valorem tax.

6-41 Sec. 3945.0502. OPERATION AND MAINTENANCE TAX. (a) If  
6-42 authorized by a majority of the district voters voting at an  
6-43 election under Section 3945.0501, the district may impose an  
6-44 operation and maintenance tax on taxable property in the district  
6-45 in the manner provided by Section 49.107, Water Code, for any  
6-46 district purpose, including to:

6-47 (1) maintain and operate the district;

6-48 (2) construct or acquire improvements; or

6-49 (3) provide a service.

6-50 (b) The board shall determine the operation and maintenance  
6-51 tax rate. The rate may not exceed the rate approved at the  
6-52 election.

6-53 (c) Section 49.107(h), Water Code, does not apply to the  
6-54 district.

6-55 Sec. 3945.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE  
6-56 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on  
6-57 terms determined by the board.

6-58 (b) The district may, by competitive bid or negotiated sale,  
6-59 issue bonds, notes, or other obligations payable wholly or partly  
6-60 from ad valorem taxes, assessments, impact fees, revenue, contract  
6-61 payments, grants, or other district money, or any combination of  
6-62 those sources of money, to pay for any authorized district purpose.

6-63 (c) The limitation on the outstanding principal amount of  
6-64 bonds, notes, or other obligations provided by Section 49.4645,  
6-65 Water Code, does not apply to the district.

6-66 Sec. 3945.0504. BONDS SECURED BY REVENUE OR CONTRACT  
6-67 PAYMENTS. The district may issue, without an election, bonds  
6-68 secured by:

6-69 (1) revenue other than ad valorem taxes, including

7-1 contract revenues; or  
 7-2 (2) contract payments, provided that the requirements  
 7-3 of Section 49.108, Water Code, have been met.

7-4 Sec. 3945.0505. BONDS SECURED BY AD VALOREM TAXES;  
 7-5 ELECTIONS. (a) If authorized at an election under Section  
 7-6 3945.0501, the district may issue bonds payable from ad valorem  
 7-7 taxes.

7-8 (b) Section 375.243, Local Government Code, does not apply  
 7-9 to the district.

7-10 (c) At the time the district issues bonds payable wholly or  
 7-11 partly from ad valorem taxes, the board shall provide for the annual  
 7-12 imposition of a continuing direct annual ad valorem tax, without  
 7-13 limit as to rate or amount, for each year that all or part of the  
 7-14 bonds are outstanding as required and in the manner provided by  
 7-15 Sections 54.601 and 54.602, Water Code.

7-16 (d) All or any part of any facilities or improvements that  
 7-17 may be acquired by a district by the issuance of its bonds may be  
 7-18 submitted as a single proposition or as several propositions to be  
 7-19 voted on at the election.

7-20 Sec. 3945.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The  
 7-21 board may not issue bonds until each municipality in whose  
 7-22 corporate limits or extraterritorial jurisdiction the district is  
 7-23 located has consented by ordinance or resolution to the creation of  
 7-24 the district and to the inclusion of land in the district.

7-25 (b) This section applies only to the district's first  
 7-26 issuance of bonds payable from ad valorem taxes.

#### 7-27 SUBCHAPTER F. SALES AND USE TAX

7-28 Sec. 3945.0601. APPLICABILITY OF CERTAIN TAX CODE  
 7-29 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,  
 7-30 computation, administration, enforcement, and collection of the  
 7-31 sales and use tax authorized by this subchapter except to the extent  
 7-32 Chapter 321, Tax Code, is inconsistent with this chapter.

7-33 (b) A reference in Chapter 321, Tax Code, to a municipality  
 7-34 or the governing body of a municipality is a reference to the  
 7-35 district or the board, respectively.

7-36 Sec. 3945.0602. ELECTION; ADOPTION OF TAX. (a) The  
 7-37 district may adopt a sales and use tax if authorized by a majority  
 7-38 of the voters of the district voting at an election held for that  
 7-39 purpose.

7-40 (b) The board by order may call an election to authorize the  
 7-41 adoption of the sales and use tax. The election may be held on any  
 7-42 uniform election date and in conjunction with any other district  
 7-43 election.

7-44 (c) The ballot shall be printed to provide for voting for or  
 7-45 against the proposition: "Authorization of a sales and use tax in  
 7-46 the Brazoria County Management District No. 2 at a rate not to  
 7-47 exceed \_\_\_\_ percent" (insert rate of one or more increments of  
 7-48 one-eighth of one percent).

7-49 Sec. 3945.0603. SALES AND USE TAX RATE. (a) On or after the  
 7-50 date the results are declared of an election held under Section  
 7-51 3945.0602, at which the voters approved imposition of the tax  
 7-52 authorized by this subchapter, the board shall determine and adopt  
 7-53 by resolution or order the initial rate of the tax, which must be in  
 7-54 one or more increments of one-eighth of one percent.

7-55 (b) After the election held under Section 3945.0602, the  
 7-56 board may increase or decrease the rate of the tax by one or more  
 7-57 increments of one-eighth of one percent.

7-58 (c) The initial rate of the tax or any rate resulting from  
 7-59 subsequent increases or decreases may not exceed the lesser of:

7-60 (1) the maximum rate authorized by the district voters  
 7-61 at the election held under Section 3945.0602; or

7-62 (2) a rate that, when added to the rates of all sales  
 7-63 and use taxes imposed by other political subdivisions with  
 7-64 territory in the district, would result in the maximum combined  
 7-65 rate prescribed by Section 321.101(f), Tax Code, at any location in  
 7-66 the district.

7-67 Sec. 3945.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This  
 7-68 section applies to the district after a municipality annexes part  
 7-69 of the territory in the district and imposes the municipality's

8-1 sales and use tax in the annexed territory.

8-2 (b) If at the time of annexation the district has  
8-3 outstanding debt or other obligations payable wholly or partly from  
8-4 district sales and use tax revenue, Section 321.102(g), Tax Code,  
8-5 applies to the district.

8-6 (c) If at the time of annexation the district does not have  
8-7 outstanding debt or other obligations payable wholly or partly from  
8-8 district sales and use tax revenue, the district may:

8-9 (1) exclude the annexed territory from the district,  
8-10 if the district has no outstanding debt or other obligations  
8-11 payable from any source; or

8-12 (2) reduce the sales and use tax in the annexed  
8-13 territory by resolution or order of the board to a rate that, when  
8-14 added to the sales and use tax rate imposed by the municipality in  
8-15 the annexed territory, is equal to the sales and use tax rate  
8-16 imposed by the district in the district territory that was not  
8-17 annexed by the municipality.

8-18 Sec. 3945.0605. NOTIFICATION OF RATE CHANGE. The board  
8-19 shall notify the comptroller of any changes made to the tax rate  
8-20 under this subchapter in the same manner the municipal secretary  
8-21 provides notice to the comptroller under Section 321.405(b), Tax  
8-22 Code.

8-23 Sec. 3945.0606. USE OF REVENUE. Revenue from the sales and  
8-24 use tax imposed under this subchapter is for the use and benefit of  
8-25 the district and may be used for any district purpose. The district  
8-26 may pledge all or part of the revenue to the payment of bonds,  
8-27 notes, or other obligations, and that pledge of revenue may be in  
8-28 combination with other revenue, including tax revenue, available to  
8-29 the district.

8-30 Sec. 3945.0607. ABOLITION OF TAX. (a) Except as provided  
8-31 by Subsection (b), the board may abolish the tax imposed under this  
8-32 subchapter without an election.

8-33 (b) The board may not abolish the tax imposed under this  
8-34 subchapter if the district has outstanding debt secured by the tax,  
8-35 and repayment of the debt would be impaired by the abolition of the  
8-36 tax.

8-37 (c) If the board abolishes the tax, the board shall notify  
8-38 the comptroller of that action in the same manner the municipal  
8-39 secretary provides notice to the comptroller under Section  
8-40 321.405(b), Tax Code.

8-41 (d) If the board abolishes the tax or decreases the tax rate  
8-42 to zero, a new election to authorize a sales and use tax must be held  
8-43 under Section 3945.0602 before the district may subsequently impose  
8-44 the tax.

8-45 (e) This section does not apply to a decrease in the sales  
8-46 and use tax authorized under Section 3945.0604(c)(2).

#### 8-47 SUBCHAPTER I. DISSOLUTION

8-48 Sec. 3945.0901. DISSOLUTION. (a) The board shall dissolve  
8-49 the district on written petition filed with the board by the owners  
8-50 of at least two-thirds of the assessed value of the property subject  
8-51 to assessment or taxation by the district based on the most recent  
8-52 certified county property tax rolls.

8-53 (b) The board by majority vote may dissolve the district at  
8-54 any time.

8-55 (c) The district may not be dissolved by its board under  
8-56 Subsection (a) or (b) if the district:

8-57 (1) has any outstanding bonded indebtedness until that  
8-58 bonded indebtedness has been repaid or defeased in accordance with  
8-59 the order or resolution authorizing the issuance of the bonds;

8-60 (2) has a contractual obligation to pay money until  
8-61 that obligation has been fully paid in accordance with the  
8-62 contract; or

8-63 (3) owns, operates, or maintains public works,  
8-64 facilities, or improvements unless the district contracts with  
8-65 another person for the ownership, operation, or maintenance of the  
8-66 public works, facilities, or improvements.

8-67 (d) Sections 375.261, 375.262, and 375.264, Local  
8-68 Government Code, do not apply to the district.

8-69 SECTION 2. The Brazoria County Management District No. 2

9-1 initially includes all the territory contained in the following  
9-2 area:

9-3 TRACT 1:

9-4 All that certain 160.92 acres tract of land, being a part of  
9-5 that certain called 264.533 Acre Tract containing Lots 10, 11, and  
9-6 19 of the Bogart and Taylor Subdivision of the West 1/2 of the  
9-7 W.D.C. Hall League, Abstract 69, Brazoria County, Texas, a Plat of  
9-8 record in Volume 16, at Pages 518 and 519 of the Deed Records of  
9-9 Brazoria County, Texas (B.C.D.R.), and being that 264.533 Acre  
9-10 Tract described in a deed from Buffet Inc. to Tehama Communities,  
9-11 LLP recorded in Clerk File (C.F.) 2005-069871, said 160.92 acres  
9-12 tract of land being more particularly described as follows:

9-13 BEGINNING at a 4 -inch square concrete monument found at the  
9-14 Northeast corner of said Lot 10, said concrete monument being the  
9-15 same described in that certain deed to Claud B. Hamill recorded in  
9-16 Volume 1121, at Page 386 of the B.C.D.R., being also the Northwest  
9-17 corner of Lot 9 of said Bogart and Taylor Subdivision;

9-18 THENCE South 03 degrees 02 minutes 53 seconds East, 2,652.55  
9-19 feet coincident with the West line of said Claud B. Hamill Tract,  
9-20 being also the East line of Lot 10 of said Bogart and Taylor

9-21 Subdivision, point also being the Southeast corner of the  
9-22 herein tract;

9-23 THENCE South 86 degrees 57 minutes 14 seconds West, 2,642.69  
9-24 feet coincident with the North lines of Lot 18 and 19, being also  
9-25 the South line of Lots 10 and 11 of said Bogart and Taylor

9-26 Subdivision to a point for corner, from which a 1/2-inch iron  
9-27 rod set for reference bears North 76 degrees 03 minutes 10 seconds  
9-28 West, 18.35 feet, and a 3/4 inch iron pipe found for reference bears  
9-29 North 01 degrees 24 minutes 37 seconds East, 23.52 feet;

9-30 THENCE North 03 degrees 02 minutes 53 seconds West, 2,652.55  
9-31 feet coincident with the West line of said Lot 11 to a 1-1/4 inch  
9-32 iron pipe found for corner;

9-33 THENCE North 86 degrees 57 minutes 14 seconds East, 2,642.69  
9-34 feet coincident with the North lines of said Lots 10 and 11, along  
9-35 the South line of a platted road to the POINT OF BEGINNING,  
9-36 containing 160.92 acres of land, more or less.

9-37 TRACT 2:

9-38 A survey of 42.95 Acres out of Lot 9 of the Bogart and Taylor  
9-39 subdivision of the West 1/2 of the W.D.C. Hall League, Abstract 69  
9-40 according to the Plat recorded in Volume 1, Page 64 of the Map  
9-41 Records of Brazoria County, Texas (B.C.M.R), and being more  
9-42 particularly described by metes and bounds as follows:

9-43 BEGINNING at a set 1/2 inch iron rod with a cap in the  
9-44 Northwest corner of Lot 9 set on the South right-of way line of  
9-45 Adams Road / County Road 841, a public road, presently unopened, for  
9-46 the Northwest corner of this tract and the POINT OF BEGINNING;

9-47 THENCE North 86 degrees 57 minutes 02 seconds East, along the  
9-48 South line of said public road, a distance of 700.55 feet for the  
9-49 Northeast corner of this tract;

9-50 THENCE South 03 degrees 00 minutes 50 seconds East, a  
9-51 distance of 2,657.47 feet for the Southeast corner of this tract,  
9-52 said point being in the South lines of Lot 9;

9-53 THENCE South 86 degrees 57 minutes 14 seconds West, along the  
9-54 centerline of Ditch 316-00-00 as recorded in Iowa Colony Drainage  
9-55 District No. 5, a distance of 707.48 feet for the Southwest corner  
9-56 of this tract;

9-57 THENCE North 02 degrees 51 minutes 52 seconds West, along the  
9-58 West lines of Lot 9, same being the East line of that tract of land  
9-59 (Lots 10, 11, and 19, Bogart and Taylor) as described by deed  
9-60 recorded in B.C.C.F. No. 85030634, a distance of 2,657.44 feet to  
9-61 the POINT OF BEGINNING and containing 42.95 acres of land, more or  
9-62 less, and being a part of the same property described in the deed  
9-63 "Tract C" as described in the Clerk 's File No. 2008-037928 of  
9-64 Brazoria County, Texas, to which deed and the record thereof  
9-65 reference is here made for all appropriate purposes.

9-66 SECTION 3. (a) The legal notice of the intention to  
9-67 introduce this Act, setting forth the general substance of this  
9-68 Act, has been published as provided by law, and the notice and a  
9-69 copy of this Act have been furnished to all persons, agencies,

10-1 officials, or entities to which they are required to be furnished  
10-2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,  
10-3 Government Code.

10-4 (b) The governor, one of the required recipients, has  
10-5 submitted the notice and Act to the Texas Commission on  
10-6 Environmental Quality.

10-7 (c) The Texas Commission on Environmental Quality has filed  
10-8 its recommendations relating to this Act with the governor,  
10-9 lieutenant governor, and speaker of the house of representatives  
10-10 within the required time.

10-11 (d) All requirements of the constitution and laws of this  
10-12 state and the rules and procedures of the legislature with respect  
10-13 to the notice, introduction, and passage of this Act have been  
10-14 fulfilled and accomplished.

10-15 SECTION 4. This Act takes effect immediately if it receives  
10-16 a vote of two-thirds of all the members elected to each house, as  
10-17 provided by Section 39, Article III, Texas Constitution. If this  
10-18 Act does not receive the vote necessary for immediate effect, this  
10-19 Act takes effect September 1, 2021.

10-20

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