

1-1 By: Brown of Kaufman (Senate Sponsor - Staples) H.B. No. 2533  
1-2 (In the Senate - Received from the House April 28, 2003;  
1-3 May 1, 2003, read first time and referred to Committee on Natural  
1-4 Resources; May 20, 2003, reported adversely, with favorable  
1-5 Committee Substitute by the following vote: Yeas 10, Nays 0;  
1-6 May 20, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2533 By: Estes

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the creation of Lake View Management and Development  
1-11 District in Henderson County; providing authority to impose a tax  
1-12 and issue bonds; granting the power of eminent domain.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. CREATION AND NAMING OF DISTRICT; CONTROLLING  
1-15 LAW. (a) The Lake View Management and Development District is  
1-16 created as a special district under Section 59, Article XVI, Texas  
1-17 Constitution.

1-18 (b) The board by resolution may change the district's name.  
1-19 The board shall give written notice of the change to the commission.

1-20 (c) The district is a unit of government for the purposes of  
1-21 Chapter 101, Civil Practice and Remedies Code, and operations of  
1-22 the district are considered to be essential governmental functions  
1-23 and not proprietary functions for all purposes, including the  
1-24 application of that chapter.

1-25 SECTION 2. DEFINITIONS. In this Act:

1-26 (1) "Board" means the board of directors of the  
1-27 district.

1-28 (2) "Commission" means the Texas Commission on  
1-29 Environmental Quality.

1-30 (3) "District" means the Lake View Management and  
1-31 Development District.

1-32 (4) "Improvement project" means a program or project  
1-33 authorized by Section 15 of this Act, inside or outside the  
1-34 boundaries of the district.

1-35 SECTION 3. BOUNDARIES. The district includes the land  
1-36 located in Henderson County that is described and defined by metes  
1-37 and bounds, as follows, to-wit:

1-38 BEING a 549.0 acre tract of land situated in the G. Martinez  
1-39 Survey, Abstract No. 481, Henderson County, Texas, and being  
1-40 comprised of nine (9) tracts of land as conveyed in six (6) deeds to  
1-41 Long Cove Ranch Company as follows: (1) Parcel 10C and Parcel 10D  
1-42 described as Tracts 10 C, 56.41 acres and 10 D, 54.86 acres in  
1-43 Volume 2158, Page 001, Deed Records, Henderson County, Texas, (2)  
1-44 Parcel 9 described as 140.0 acres in Volume 2143, Page 363, Deed  
1-45 Records, Henderson County, Texas, (3) Parcel 8 described as 100.0  
1-46 acres in Volume 2030, Page 555, Deed Records, Henderson County,  
1-47 Texas, (4) Parcel 7 described as 40.72 acres in Volume 2030, Page  
1-48 541, Deed Records, Henderson County, Texas, (5) Parcels 6A, 6B, and  
1-49 6D described as 11.064 acres, 44.317 acres and 61.686 acres tracts  
1-50 respectively in Volume 1960, Page 595, Deed Records, Henderson  
1-51 County, Texas, and (6) portion of Parcel 4, the easterly 40 acres  
1-52 of the first tract described in Volume 1769, Page 768, Deed Records,  
1-53 Henderson County, Texas, and being more particularly described as  
1-54 follows:

1-55 BEGINNING at the intersection of the north line of Parcel 8  
1-56 with the deeded 325 foot elevation take line of Cedar Creek Lake;

1-57 THENCE North 89 degrees 23 minutes 11 seconds East, along the  
1-58 north line of Parcel 8, called the north line of Martinez Survey  
1-59 and the south line of Thomas Caro Survey, a distance of 654.83 feet  
1-60 to the northeast corner of said Parcel 8 and the northwest corner of  
1-61 Parcel 10C;

1-62 THENCE North 89 degrees 46 minutes 07 seconds East, along the  
1-63 north line of Parcel 10C, called the north line of said Martinez

2-1 Survey, a distance of 1,203.86 feet to the northeast corner of said  
2-2 Parcel 10C;  
2-3 THENCE South 00 degrees 47 minutes 49 seconds West, along the  
2-4 east line of Parcel 10 C, a distance of 2,418.84 feet to the  
2-5 southeast corner of said Parcel 10C;  
2-6 THENCE South 88 degrees 14 minutes 18 seconds West, along the  
2-7 south line of Parcel 10 C, a distance of 1,175.96 feet to the  
2-8 southeast corner of Parcel 8;  
2-9 THENCE South 88 degrees 53 minutes 14 seconds West, along the  
2-10 south line of Parcel 8, a distance of 1,254.61 feet to a point in the  
2-11 east line of Parcel 10D;  
2-12 THENCE South 00 degrees 06 minutes 04 seconds East, along the  
2-13 east line of Parcel 10 C, a distance of 348.17 feet to the southeast  
2-14 corner of said Parcel 10 C and the northeast corner of Parcel 9;  
2-15 THENCE South 00 degrees 06 minutes 04 seconds East, along the  
2-16 east line of Parcel 9, a distance of 2,520.78 feet to the southeast  
2-17 corner of said Parcel 9;  
2-18 THENCE North 89 degrees 49 minutes 16 seconds West, along the  
2-19 south line of Parcel 9, a distance of 2,689.08 feet to the southwest  
2-20 corner of said Parcel 9 in the east line of Parcel 6 D;  
2-21 THENCE South 00 degrees 33 minutes 24 seconds West, along the  
2-22 east line of Parcel 6 D, a distance of 51.64 feet to an angle point  
2-23 in said east line;  
2-24 THENCE South 00 degrees 25 minutes 27 seconds East,  
2-25 continuing along the east line of Parcel 6 D, a distance of 1,844.44  
2-26 feet to the southeast corner of said Parcel 6 D;  
2-27 THENCE South 88 degrees 23 minutes 18 seconds West, along the  
2-28 south line of Parcel 6 D, a distance of 1,534.22 feet to southwest  
2-29 corner of said Parcel 6 D and the southeast corner of Parcel 4;  
2-30 THENCE North 00 degrees 02 minutes 41 seconds East, crossing  
2-31 Parcel 4, a distance of 2,918.36 feet to the deeded 325 foot  
2-32 elevation take line of Cedar Creek Lake;  
2-33 THENCE generally in a northeasterly direction with it's  
2-34 meanders along the deeded 325 foot elevation take line of Cedar  
2-35 Creek Lake to the PLACE OF BEGINNING and containing 549.0 acres of  
2-36 land more or less.  
2-37 SECTION 4. FINDINGS RELATING TO BOUNDARIES. The boundaries  
2-38 of the district form a closure. A mistake in the name or spelling of  
2-39 a party to a deed or to the page or volume where filed in the deed  
2-40 records of Henderson County, or in the name of a survey or abstract,  
2-41 does not affect:  
2-42 (1) the district's organization, existence, or  
2-43 validity;  
2-44 (2) the district's right to enter into any type of  
2-45 contract for the purposes for which the district is created;  
2-46 (3) the district's right to impose, assess, or collect  
2-47 taxes, fees, or charges; or  
2-48 (4) the operation of the board or the district.  
2-49 SECTION 5. LEGISLATIVE DECLARATIONS AND FINDINGS. (a) The  
2-50 legislature finds that all of the land and other property included  
2-51 in the district will benefit from the improvement projects and  
2-52 services to be accomplished by the district under powers conferred  
2-53 by Sections 52 and 52a, Article III, and Section 59, Article XVI,  
2-54 Texas Constitution, and the other powers granted under this Act,  
2-55 and the creation of the district is essential to accomplish the  
2-56 purposes of those provisions and to accomplish the other public  
2-57 purposes stated in this Act.  
2-58 (b) The legislature further finds that the creation of the  
2-59 district:  
2-60 (1) is essential to the conservation and beneficial  
2-61 use of the water, land, soil, and other natural resources in or  
2-62 adjacent to the district;  
2-63 (2) is essential to further the public purposes of the  
2-64 economic development and diversification of the state, the  
2-65 elimination of unemployment and underemployment, and the  
2-66 stimulation and development of transportation and commerce;  
2-67 (3) will promote the health, safety, and general  
2-68 welfare of residents, employers, employees, and consumers in the  
2-69 district and in Henderson County and of the public; and

3-1 (4) is in the public interest.  
 3-2 (c) The district's operations and the district's  
 3-3 improvement projects will enable the district to preserve,  
 3-4 maintain, and enhance the economic health and vitality of the area  
 3-5 in the district as a community, residential, recreational,  
 3-6 business, and commerce center. The district will further promote  
 3-7 the health, safety, welfare, education, convenience, and enjoyment  
 3-8 of the public by improving, landscaping, and developing certain  
 3-9 areas in and adjacent to the district and providing public services  
 3-10 and facilities in and adjacent to the district that are necessary  
 3-11 for the restoration, preservation, enhancement, and enjoyment of  
 3-12 scenic beauty.

3-13 SECTION 6. CONSTRUCTION OF ACT. (a) This Act shall be  
 3-14 liberally construed in conformity with the findings and purposes  
 3-15 stated in this Act.

3-16 (b) Chapter 311, Government Code, applies to this Act.

3-17 SECTION 7. GENERAL POWERS AND DUTIES. (a) The district has  
 3-18 all of the powers and duties provided by the following:

3-19 (1) the general laws relating to conservation and  
 3-20 reclamation districts created under Section 59, Article XVI, Texas  
 3-21 Constitution, including Chapters 49 and 54, Water Code, except that  
 3-22 the district's bonds and other securities are not subject to the  
 3-23 jurisdiction or supervision of the commission under Chapter 49,  
 3-24 Water Code, or other law;

3-25 (2) the general laws relating to road districts and  
 3-26 road utility districts created under Section 52(b), Article III,  
 3-27 Texas Constitution, including Chapter 441, Transportation Code;

3-28 (3) Chapter 372, Local Government Code, in the same  
 3-29 manner as a municipality or a county;

3-30 (4) Chapter 375, Local Government Code; and

3-31 (5) Section 4B, Development Corporation Act of 1979  
 3-32 (Article 5190.6, Vernon's Texas Civil Statutes).

3-33 (b) A provision of this Act prevails over a provision of the  
 3-34 general law that is in conflict or inconsistent with this Act.

3-35 SECTION 8. BOARD OF DIRECTORS; ELIGIBILITY. (a) Except as  
 3-36 provided by Subsections (b) and (c) of this section, the district is  
 3-37 governed by a board of five directors who serve staggered terms of  
 3-38 four years.

3-39 (b) The following directors serve until March 1, 2008:

3-40 (1) Position One: Murray Holland

3-41 (2) Position Two: Scott Griffith

3-42 (3) Position Three: Thomas Corcoran

3-43 (4) Position Four: David Jaderlund

3-44 (5) Position Five: Robert Whitman

3-45 (c) The board shall hold an election to elect all directors  
 3-46 on the uniform election day in February 2008. Persons elected to  
 3-47 Positions One and Two serve terms expiring March 1, 2010. Persons  
 3-48 elected to Positions Three, Four, and Five serve terms expiring  
 3-49 March 1, 2012.

3-50 (d) Starting in 2010, the board shall hold an election on  
 3-51 the uniform election day in February of an even-numbered year to  
 3-52 elect directors to fill the positions the terms of which expire on  
 3-53 March 1 of that year.

3-54 (e) Other than a director listed in Subsection (b) of this  
 3-55 section, to be qualified to serve as a director a person must be at  
 3-56 least 18 years of age and:

3-57 (1) reside in the district;

3-58 (2) own real property in the district;

3-59 (3) own at least 10 percent of the outstanding  
 3-60 interest of a corporation or general or limited partnership that  
 3-61 owns real property in the district; or

3-62 (4) be an agent, employee, officer, or director of a  
 3-63 corporation, limited liability company, or partnership that owns  
 3-64 real property in the district.

3-65 SECTION 9. VACANCY. A vacancy on the board shall be filled  
 3-66 by appointment by the remaining members of the board of a person who  
 3-67 meets the qualifications under Section 8(e) of this Act.

3-68 SECTION 10. DIRECTOR'S BOND; OATH. (a) As soon as  
 3-69 practicable after a director is elected or appointed, the director

4-1 shall execute a bond for \$10,000 payable to the district and  
4-2 conditioned on the faithful performance of the director's duties.  
4-3 The bond must be approved by the board.

4-4 (b) Each director shall take the oath of office prescribed  
4-5 by the constitution for public office.

4-6 (c) The bond and oath shall be filed with the district and  
4-7 the district shall retain the bond and oath in its records.

4-8 (d) The district shall pay the cost of a bond executed under  
4-9 Subsection (a) of this section.

4-10 SECTION 11. OFFICERS. The board shall elect a chair, a vice  
4-11 chair, and a secretary from its members.

4-12 SECTION 12. COMPENSATION. A director is not entitled to  
4-13 compensation for service on the board but is entitled to be  
4-14 reimbursed for necessary and reasonable expenses incurred in  
4-15 carrying out the duties and responsibilities of a director.

4-16 SECTION 13. QUORUM. Three directors are a quorum. A  
4-17 concurrence of a majority of a quorum of the board shall be required  
4-18 for any official action of the district.

4-19 SECTION 14. DISTRICT CONFIRMATION ELECTION. (a) As soon as  
4-20 practicable after all initial directors have qualified for office,  
4-21 the initial directors shall hold an organizational meeting and call  
4-22 a confirmation election to be held not later than the second uniform  
4-23 election date occurring after the date of the organizational  
4-24 meeting.

4-25 (b) The confirmation election shall be called and held to  
4-26 confirm the establishment of the district in the manner provided by  
4-27 Subchapter D, Chapter 49, Water Code. If a majority of the votes  
4-28 cast at a confirmation election do not favor the creation of the  
4-29 district, the board may call succeeding elections on a uniform  
4-30 election date, but may not call another confirmation election  
4-31 sooner than six months after the date of the previous election.

4-32 (c) Before the district is confirmed at an election, the  
4-33 district may carry on any business as the board may determine except  
4-34 that the district may not borrow money or impose or assess a tax or  
4-35 an assessment.

4-36 SECTION 15. IMPROVEMENT PROJECTS. The district may  
4-37 provide, or it may enter into contracts with a governmental or  
4-38 private entity to provide, the following types of improvement  
4-39 projects or activities in support of or incidental to those  
4-40 projects:

4-41 (1) retail or wholesale water treatment, supply, and  
4-42 distribution facilities and systems to provide potable and  
4-43 nonpotable water to the residents and businesses of the district,  
4-44 including wastewater and sewerage collection and treatment  
4-45 facilities and systems, provided that treated effluent water  
4-46 resulting from any sewerage treatment facilities operated by or in  
4-47 the district may be used by the district for irrigation in the  
4-48 district;

4-49 (2) the provision of septic tank maintenance services  
4-50 inside or outside the district and of solid waste disposal services  
4-51 if the board determines the action to be necessary and appropriate  
4-52 to protect the district;

4-53 (3) macadamized, graveled, or paved roads, streets,  
4-54 and turnpikes, inside and outside the district to the extent  
4-55 authorized by Section 52, Article III, Texas Constitution;

4-56 (4) the planning, design, construction, improvement,  
4-57 and maintenance of:

4-58 (A) landscaping;  
4-59 (B) highway right-of-way or transit corridor  
4-60 beautification and improvements;

4-61 (C) lighting, banners, and signs;  
4-62 (D) streets or sidewalks;

4-63 (E) hiking and cycling paths and trails,  
4-64 pedestrian walkways, skywalks, crosswalks, or tunnels;

4-65 (F) parks, lakes, gardens, recreational and  
4-66 sports facilities, open space, scenic areas, and related exhibits  
4-67 and preserves;

4-68 (G) fountains, plazas, and pedestrian malls; and  
4-69 (H) drainage or storm-water detention

- 5-1 improvements;
- 5-2 (5) protection and improvement of the quality of storm
- 5-3 water that flows through the district;
- 5-4 (6) the planning, design, construction, improvement,
- 5-5 maintenance, and operation of:
- 5-6 (A) solid waste, water, sewer, or power
- 5-7 facilities or services, including electrical, gas, steam, and
- 5-8 chilled water facilities; or
- 5-9 (B) off-street parking facilities and heliports;
- 5-10 (7) the planning and acquisition of:
- 5-11 (A) public art and sculpture and related exhibits
- 5-12 and facilities; and
- 5-13 (B) educational and cultural exhibits and
- 5-14 facilities;
- 5-15 (8) the planning, design, construction, acquisition,
- 5-16 lease, rental, improvement, maintenance, installation, and
- 5-17 management of and provision of furnishings for facilities for:
- 5-18 (A) conferences, conventions, or exhibitions;
- 5-19 (B) manufacturer, consumer, or trade shows;
- 5-20 (C) civic, community, or institutional events;
- 5-21 and
- 5-22 (D) exhibits, displays, attractions, special
- 5-23 events, and seasonal or cultural celebrations and holidays;
- 5-24 (9) the removal, razing, demolition, or clearing of
- 5-25 land or improvements in connection with any improvement project;
- 5-26 (10) the acquisition and improvement of land and other
- 5-27 property for the mitigation of the environmental effects of any
- 5-28 improvement project;
- 5-29 (11) the acquisition of property or an interest in
- 5-30 property in connection with an authorized improvement project;
- 5-31 (12) any special or supplemental services for the
- 5-32 improvement and promotion of the district or the areas adjacent to
- 5-33 the district or for the protection of public health and safety
- 5-34 within or adjacent to the district, including advertising,
- 5-35 promotion, tourism, health and sanitation, public safety,
- 5-36 security, fire protection or emergency medical services, business
- 5-37 recruitment, development, elimination of traffic congestion, and
- 5-38 recreational, educational, or cultural improvements, enhancements,
- 5-39 and services; and
- 5-40 (13) any similar public improvements, facilities, or
- 5-41 services.
- 5-42 SECTION 16. POWERS RELATED GENERALLY TO CONTRACTS AND
- 5-43 FINANCIAL MATTERS. (a) The district may:
- 5-44 (1) impose an ad valorem tax in accordance with
- 5-45 Chapter 375, Local Government Code, on all taxable property in the
- 5-46 district;
- 5-47 (2) impose an assessment or impact fee in the manner
- 5-48 provided for a municipality or county under Chapter 372, Local
- 5-49 Government Code, on all industrial, commercial, and residential
- 5-50 property in the district;
- 5-51 (3) impose, assess, and apply the proceeds from a
- 5-52 limited sales and use tax, and a hotel occupancy tax, as authorized
- 5-53 by this Act;
- 5-54 (4) impose rates, fees, and charges for the use of any
- 5-55 improvement project or the consumption of a product resulting from
- 5-56 an improvement project;
- 5-57 (5) borrow money for district purposes by issuing or
- 5-58 executing bonds, notes, credit agreements, or other obligations of
- 5-59 any kind found by the board to be necessary or appropriate for
- 5-60 district purposes;
- 5-61 (6) enter into a contract with any person for the
- 5-62 accomplishment of any district purpose, including a contract for:
- 5-63 (A) the payment, repayment, or reimbursement of
- 5-64 costs incurred by that person on behalf of the district, including
- 5-65 all or part of the costs of an improvement project and interest on
- 5-66 the reimbursed cost; or
- 5-67 (B) the use, occupancy, lease, rental,
- 5-68 operation, maintenance, or management of all or part of a proposed
- 5-69 or existing improvement project;

6-1 (7) apply for and contract with any person to receive,  
6-2 administer, and perform any duty or obligation of the district  
6-3 under a federal, state, local, or private gift, grant, loan,  
6-4 conveyance, transfer, bequest, donation, or other financial  
6-5 assistance arrangement relating to the investigation, planning,  
6-6 analysis, study, design, acquisition, construction, improvement,  
6-7 completion, implementation, or operation by the district or others  
6-8 of a proposed or existing improvement project;

6-9 (8) establish, revise, repeal, enforce, collect, and  
6-10 apply the proceeds from user fees or charges for the enjoyment,  
6-11 sale, rental, or other use of the district's facilities, services,  
6-12 properties, or improvement projects;

6-13 (9) provide or secure the payment or repayment of the  
6-14 costs and expenses of the establishment, administration, and  
6-15 operation of the district and the district's costs or share of the  
6-16 costs of an improvement project or district contractual obligation  
6-17 or indebtedness by or through a lease, installment purchase  
6-18 contract, or other agreement with any person, or the imposition of  
6-19 taxes, user fees, concessions, rentals, or other revenues or  
6-20 resources of the district;

6-21 (10) establish user charges related to the operation  
6-22 of various public services, including public water supply services,  
6-23 for the collection and treatment of wastewater, and for the  
6-24 operation of storm-water facilities, including the regulation of  
6-25 storm water for the protection of water quality in the district, and  
6-26 for the provision of septic tank maintenance services inside and  
6-27 outside the district;

6-28 (11) undertake separately or jointly with other  
6-29 persons all or part of the cost of an improvement project, including  
6-30 an improvement project:

6-31 (A) for improving, enhancing, and supporting  
6-32 public safety and security, fire protection and emergency medical  
6-33 services, and law enforcement in and adjacent to the district; or

6-34 (B) that confers a general benefit on the entire  
6-35 district or a special benefit on a definable part of the district;  
6-36 and

6-37 (12) enter into tax abatement agreements in accordance  
6-38 with the general laws of the state authorizing and applicable to tax  
6-39 abatement agreements by municipalities.

6-40 (b) A contract the district enters into to carry out a  
6-41 purpose of this Act may be on any terms and for any period as the  
6-42 board may determine.

6-43 (c) A state agency, a municipality, Henderson County, any  
6-44 other political subdivision, a corporation, an individual, or any  
6-45 other entity may contract with the district to carry out the  
6-46 purposes of this Act without any further statutory or other  
6-47 authorization.

6-48 SECTION 17. RULES. The district may adopt rules:

6-49 (1) to administer or operate the district;

6-50 (2) for the use, enjoyment, availability, protection,  
6-51 security, and maintenance of the district's properties and  
6-52 facilities; or

6-53 (3) to provide for public safety and security in the  
6-54 district.

6-55 SECTION 18. ADDITION OR REMOVAL OF TERRITORY. The board may  
6-56 add, delete, or exclude territory in the manner provided by  
6-57 Subchapter J, Chapter 49, Water Code, as limited by Section 54.016,  
6-58 Water Code, except that:

6-59 (1) for purposes of this section, a reference in  
6-60 Subchapter J, Chapter 49, Water Code, or Section 54.016, Water  
6-61 Code, to a tax means an ad valorem tax;

6-62 (2) Section 54.016, Water Code, and Section 42.042,  
6-63 Local Government Code, do not apply to the district's annexation of  
6-64 land restricted primarily to commercial or business use;

6-65 (3) land may not be added or annexed to the district  
6-66 without the consent of the owners of the land; and

6-67 (4) land may not be removed or disannexed from the  
6-68 district at any time during which any bonds or other obligations of  
6-69 the district that are payable, in whole or in part, from ad valorem

7-1 taxes are outstanding.

7-2 SECTION 19. EMINENT DOMAIN. (a) Within the boundaries of  
7-3 the district, the district may exercise the power of eminent domain  
7-4 for all public purposes.

7-5 (b) Outside the boundaries of the district, the district may  
7-6 exercise the power of eminent domain only for the purpose of  
7-7 constructing, acquiring, operating, repairing, or maintaining  
7-8 water supply lines or sanitary sewer lines.

7-9 (c) The district's power of eminent domain is exercised in  
7-10 the same manner as required for a county.

7-11 SECTION 20. NONPROFIT CORPORATION. (a) The district, by  
7-12 board resolution, may authorize the incorporation of a nonprofit  
7-13 corporation to assist and act for the district in implementing an  
7-14 improvement project or providing services authorized by this Act.

7-15 (b) The board shall appoint the board of directors of a  
7-16 nonprofit corporation created under this section. The board of  
7-17 directors of the nonprofit corporation shall serve in the same  
7-18 manner as, for the same term as, and on the same conditions as a  
7-19 board of directors of a local government corporation created under  
7-20 Subchapter D, Chapter 431, Transportation Code.

7-21 (c) A nonprofit corporation created under this section:

7-22 (1) has each power of and is considered for purposes of  
7-23 this Act to be a local government corporation created under  
7-24 Subchapter D, Chapter 431, Transportation Code; and

7-25 (2) may implement an improvement project and provide a  
7-26 service authorized by this Act and approved by the board.

7-27 SECTION 21. ECONOMIC DEVELOPMENT. The district may create  
7-28 economic development programs and exercise the economic  
7-29 development powers and authority that Chapter 380, Local Government  
7-30 Code, provides to a municipality with a population of more than  
7-31 100,000, and Chapter 1509, Government Code, provides to any  
7-32 municipality.

7-33 SECTION 22. TERMS OF EMPLOYMENT; COMPENSATION. The board  
7-34 may employ and establish the terms of employment and compensation  
7-35 of an executive director or general manager and any other employees  
7-36 of the district the board considers necessary.

7-37 SECTION 23. USE OF ROADWAYS, PARKS, OTHER PUBLIC AREAS OF  
7-38 THE DISTRICT. (a) The board by rule may regulate the private use of  
7-39 public roadways, open spaces, parks, sidewalks, and similar public  
7-40 areas in the district. To the extent the rules of the district  
7-41 conflict with a rule, order, or regulation of Henderson County or  
7-42 the Tarrant Regional Water District, the rule, order, or regulation  
7-43 of the county or Tarrant Regional Water District controls. The  
7-44 rules may provide for the safe and orderly use of public roadways,  
7-45 open spaces, parks, sidewalks, and similar public areas or  
7-46 facilities.

7-47 (b) The board may require a permit for a parade,  
7-48 demonstration, celebration, entertainment event, or a similar  
7-49 nongovernmental activity in or on the public roadways, open spaces,  
7-50 parks, sidewalks, and similar public areas or facilities. The board  
7-51 may charge a fee for the permit application and for public safety or  
7-52 security services in an amount the board considers necessary.

7-53 (c) The board may require a permit or franchise agreement  
7-54 with a vendor, concessionaire, exhibitor, or similar private or  
7-55 commercial person or organization for the limited use of the area or  
7-56 facilities on terms and on payment of a permit or franchise fee the  
7-57 board may impose.

7-58 SECTION 24. ZONING BY COUNTY. (a) If requested by the  
7-59 district to exercise zoning powers, Henderson County may exercise,  
7-60 solely in the boundaries of the district, the zoning powers granted  
7-61 to counties in Subchapter E, Chapter 231, Local Government Code,  
7-62 without holding the election required by Section 231.075.

7-63 (b) If the county exercises zoning powers, the board shall  
7-64 exercise and perform the powers, duties, and functions of a lake  
7-65 planning commission under Section 231.077, Local Government Code.

7-66 (c) This section does not apply to land or facilities owned  
7-67 by the Tarrant Regional Water District.

7-68 SECTION 25. IMPACT FEES AND ASSESSMENTS. (a) The district  
7-69 may only impose impact fees and assessments in the manner provided

8-1 by Chapter 372, Local Government Code, for a municipality, county,  
 8-2 or public improvement district, according to benefits received by  
 8-3 the property, including an impact fee or assessment on residential  
 8-4 property.

8-5 (b) An impact fee for residential property must be for the  
 8-6 limited purposes of providing capital funding for public water and  
 8-7 wastewater facilities, for drainage and storm-water facilities,  
 8-8 and for streets and alleys.

8-9 (c) The district may not impose an impact fee or assessment  
 8-10 on the property, equipment, or facilities of a public utility  
 8-11 provider.

8-12 SECTION 26. OPERATION AND MAINTENANCE TAX; ELECTION. (a)  
 8-13 The district may impose a tax for operation and maintenance  
 8-14 purposes, including for funds for planning, constructing,  
 8-15 acquiring, maintaining, repairing, and operating all necessary  
 8-16 land, plants, works, facilities, improvements, appliances, and  
 8-17 equipment of the district and for paying costs of services,  
 8-18 engineering and legal fees, and organization and administrative  
 8-19 expenses.

8-20 (b) An operation and maintenance tax may not be imposed  
 8-21 until it is approved by the qualified voters in the district voting  
 8-22 at an election held for that purpose. If a majority of the votes  
 8-23 cast at the election approve the imposition of the tax, the board  
 8-24 may impose the tax and have it assessed and collected in the same  
 8-25 manner as other district taxes.

8-26 (c) An operation and maintenance tax election may be held at  
 8-27 the same time and in conjunction with any other district election.  
 8-28 The election may be called by a separate election order or as part  
 8-29 of any other election order.

8-30 (d) The proposition in an operation and maintenance tax  
 8-31 election may be for a specific maximum rate or for an unlimited  
 8-32 rate.

8-33 (e) If the district has surplus operation or maintenance tax  
 8-34 funds that are not needed for the purposes for which they were  
 8-35 collected, the funds may be used for any authorized purpose.

8-36 (f) Sections 26.04, 26.05, and 26.07, Tax Code, do not apply  
 8-37 to a tax levied and collected under this section or an ad valorem  
 8-38 tax levied and collected for the payment of the interest on and  
 8-39 principal of bonds issued by the district.

8-40 SECTION 27. TAX LEVY FOR BONDS AND OTHER OBLIGATIONS. (a)  
 8-41 At the time bonds or other obligations payable in whole or in part  
 8-42 from ad valorem taxes are issued:

8-43 (1) the board shall impose a continuing direct annual  
 8-44 ad valorem tax, without limit as to rate or amount, for each year  
 8-45 while all or part of the bonds are outstanding; and

8-46 (2) the district shall annually assess and collect an  
 8-47 ad valorem tax on all taxable property in the district in an amount  
 8-48 sufficient to:

8-49 (A) pay the interest on the bonds or other  
 8-50 obligations as it becomes due;

8-51 (B) create a sinking fund for the payment of the  
 8-52 principal of the bonds or other obligations when due or the  
 8-53 redemption price at any earlier required redemption date; and

8-54 (C) pay the expenses of assessing and collecting  
 8-55 the taxes.

8-56 (b) Bonds or other obligations that are secured by and  
 8-57 payable from ad valorem taxes may not be issued unless the bonds and  
 8-58 the imposition of the taxes are approved by a majority of the voters  
 8-59 in the district voting at an election held for that purpose.

8-60 (c) The district shall conduct an election required by this  
 8-61 section in the manner provided by Subchapter L, Chapter 375, Local  
 8-62 Government Code.

8-63 SECTION 28. LIMITED SALES AND USE TAX. (a) Words and  
 8-64 phrases used in this section that are defined by Chapters 151 and  
 8-65 321, Tax Code, have the meanings assigned by Chapters 151 and 321,  
 8-66 Tax Code.

8-67 (b) Except as otherwise provided in this section, Subtitles  
 8-68 A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to the  
 8-69 taxes and to the administration and enforcement of the taxes

9-1 imposed by the district in the same manner that those laws apply to  
9-2 state taxes.

9-3 (c) The district may adopt, reduce, or repeal the limited  
9-4 sales and use tax authorized by this section at an election in which  
9-5 a majority of the voters of the district voting in the election  
9-6 approve the adoption or the abolition of the tax, as applicable.

9-7 (d) The provisions of Subchapters C, D, E, and F, Chapter  
9-8 323, Tax Code, relating to county sales and use taxes shall apply to  
9-9 the application, collection, and administration of a sales and use  
9-10 tax imposed under this section to the extent consistent with this  
9-11 Act, as if references in Chapter 323, Tax Code, to a county referred  
9-12 to the district and references to a commissioners court referred to  
9-13 the board. Sections 323.401-323.404 and 323.505, Tax Code, do not  
9-14 apply to a tax imposed under this section.

9-15 (e) A tax imposed under this section or the repeal or  
9-16 reduction of a tax under this section takes effect on the first day  
9-17 of the calendar quarter occurring after the date on which the  
9-18 comptroller receives the copy of the resolution as required by  
9-19 Section 323.405(b), Tax Code.

9-20 (f) On adoption of the tax authorized by this section, there  
9-21 is imposed a tax of two percent, or the maximum rate at which the  
9-22 combined tax rate of all local sales and use taxes in any location  
9-23 in the district does not exceed two percent, on the receipts from  
9-24 the sale at retail of taxable items within the district, and an  
9-25 excise tax on the use, storage, or other consumption within the  
9-26 district of taxable items purchased, leased, or rented from a  
9-27 retailer within the district during the period that the tax is in  
9-28 effect. The rate of the excise tax is the same as the rate of the  
9-29 sales tax portion of the tax and is applied to the sales price of the  
9-30 taxable item.

9-31 (g) An election to authorize, reduce, or repeal a limited  
9-32 sales and use tax may be called by order of the board and must be  
9-33 held on the next available uniform election date that occurs 45 or  
9-34 more days after the date on which the order calling the election was  
9-35 passed. The district shall provide notice of the election and shall  
9-36 hold and conduct the election in the manner prescribed by Chapter  
9-37 54, Water Code, for bond elections for municipal utility districts.  
9-38 The ballots shall be printed to provide for voting for or against  
9-39 the appropriate one of the following propositions:

9-40 (1) "Adoption of a \_\_\_ percent district sales and use  
9-41 tax within the district";

9-42 (2) "Reduction of the district sales and use tax  
9-43 within the district from \_\_\_ percent to \_\_\_ percent"; or

9-44 (3) "Abolition of the district sales and use tax  
9-45 within the district."

9-46 (h) If all or part of the territory of the district is  
9-47 annexed by a municipality that has adopted and is imposing a sales  
9-48 and use tax, the sales and use tax imposed by the district in the  
9-49 annexed territory shall be reduced, if required, in even multiples  
9-50 of one-eighth percent, and without the necessity for an election,  
9-51 so that the combined rate of all sales and use taxes imposed by  
9-52 Henderson County, the annexing municipality, and all other  
9-53 political subdivisions within the annexed territory of the district  
9-54 will not exceed two percent, except that:

9-55 (1) a sales and use tax previously adopted by the  
9-56 district for the annexed territory may not be reduced to less than  
9-57 one-half percent; and

9-58 (2) a reduction of the district's sales and use tax in  
9-59 the portions of the district that are not annexed is not required.

9-60 (i) A tax imposed under this section or the reduction or  
9-61 repeal of a tax under this section takes effect on the first day of  
9-62 the calendar quarter occurring after the date on which the  
9-63 comptroller receives the notice required by Section 323.405(b), Tax  
9-64 Code.

9-65 (j) Not later than the 10th day after the date of the  
9-66 annexation or exclusion of territory by the district or the  
9-67 annexation of all or part of the territory of the district by a  
9-68 municipality requiring a reduction of the district's sales and use  
9-69 tax as provided by Subsection (h) of this section, the board shall

10-1 send to the comptroller, by certified or registered mail, certified  
 10-2 copies of all resolutions, orders, or ordinances pertaining to the  
 10-3 annexation or exclusion of the territory by a district or  
 10-4 municipality.

10-5 (k) The district may examine and receive information  
 10-6 related to the imposition, assessment, and collection of sales and  
 10-7 use taxes to the same extent as if the district were a municipality.

10-8 SECTION 29. HOTEL OCCUPANCY TAX. (a) In this section,  
 10-9 "hotel" has the meaning assigned by Section 156.001, Tax Code.

10-10 (b) The board by order may impose, repeal, or increase or  
 10-11 decrease the rate of a tax on a person who, under a lease,  
 10-12 concession, permit, right of access, license, contract, or  
 10-13 agreement, pays for the use or possession or for the right to use or  
 10-14 possess a room that is in a hotel located in the boundaries of the  
 10-15 district, costs \$2 or more each day, and is ordinarily used for  
 10-16 sleeping. The amount of the tax may not exceed seven percent of the  
 10-17 price paid for a room in a hotel.

10-18 (c) Except as inconsistent with this section, Subchapter A,  
 10-19 Chapter 352, Tax Code, governs a hotel occupancy tax authorized  
 10-20 under this section, including the collection of the tax, subject to  
 10-21 the limitations prescribed by Sections 352.002(b) and (c), Tax  
 10-22 Code.

10-23 (d) The district may examine and receive information  
 10-24 related to the imposition, assessment, and collection of hotel  
 10-25 occupancy taxes to the same extent as if the district were a  
 10-26 municipality.

10-27 (e) For purposes of this section, a reference in Subchapter  
 10-28 A, Chapter 352, Tax Code, to a county is a reference to the district  
 10-29 and a reference in Subchapter A, Chapter 352, Tax Code, to the  
 10-30 county's officers or governing body is a reference to the board.

10-31 SECTION 30. USE OF HOTEL OCCUPANCY TAX. (a) The district  
 10-32 shall apply the proceeds from a hotel occupancy tax imposed under  
 10-33 this Act for any of the district's purposes and for the purposes  
 10-34 described by Section 352.1015, Tax Code, to the extent considered  
 10-35 appropriate by the board.

10-36 (b) During each interval of three calendar years following  
 10-37 the date on which a hotel occupancy tax imposed under this section  
 10-38 is initially collected, the board may not apply an annual average of  
 10-39 more than 10 percent of the amount of tax collected under Section 29  
 10-40 of this Act, excluding any interest earnings or investment profits  
 10-41 and after a deduction for the costs of imposing and collecting the  
 10-42 taxes, for the administrative expenses of the district or a  
 10-43 district purpose other than:

10-44 (1) the costs of advertising and promoting tourism; or  
 10-45 (2) the costs of business development and commerce,  
 10-46 including the costs of planning, designing, constructing,  
 10-47 acquiring, leasing, financing, owning, operating, maintaining,  
 10-48 managing, improving, repairing, rehabilitating, or reconstructing  
 10-49 improvement projects for conferences, conventions, and  
 10-50 exhibitions, manufacturer, consumer, or trade shows, and civic,  
 10-51 community, or institutional events.

10-52 (c) For purposes of this section, a reference in Subchapter  
 10-53 B, Chapter 352, Tax Code, to a county is a reference to the district  
 10-54 and a reference in Subchapter B, Chapter 352, Tax Code, to the  
 10-55 county's officers or governing body is a reference to the board.

10-56 SECTION 31. BONDS AND OTHER OBLIGATIONS. (a) The district  
 10-57 may issue bonds in the manner provided by Subchapter J, Chapter 375,  
 10-58 Local Government Code, except that Sections 375.207 and 375.208 do  
 10-59 not apply to bonds issued under this Act.

10-60 (b) In addition to the sources of money described by  
 10-61 Subchapter J, Chapter 375, Local Government Code, the bonds of the  
 10-62 district may be secured and made payable, wholly or partly, by a  
 10-63 pledge of any part of the net proceeds the district receives from  
 10-64 the sales and use tax and the hotel occupancy tax authorized by  
 10-65 this Act and from any other district revenues.

10-66 SECTION 32. DISSOLUTION. (a) Except as provided by  
 10-67 Subsection (b) and the terms of a joint development and operating  
 10-68 agreement, the board:

10-69 (1) may dissolve the district by majority vote; and

11-1 (2) shall dissolve the district on receipt of a  
11-2 written petition requesting dissolution signed by the owners of 75  
11-3 percent of the acreage of real property in the district.

11-4 (b) The board may not dissolve the district until the  
11-5 district's outstanding indebtedness or contractual obligations  
11-6 have been repaid or discharged.

11-7 (c) After the board dissolves the district, the board shall  
11-8 transfer ownership of all property and assets of the district to  
11-9 Henderson County.

11-10 SECTION 33. ADDITIONAL LEGISLATIVE FINDINGS. The  
11-11 legislature finds that:

11-12 (1) proper and legal notice of the intention to  
11-13 introduce this Act, setting forth the general substance of this  
11-14 Act, has been published as provided by law, and the notice and a  
11-15 copy of this Act have been furnished to all persons, agencies,  
11-16 officials, or entities to which they are required to be furnished by  
11-17 the constitution and laws of this state, including the governor,  
11-18 who has submitted the notice and Act to the commission;

11-19 (2) the commission has filed its recommendations  
11-20 relating to this Act with the governor, lieutenant governor, and  
11-21 speaker of the house of representatives within the required time;

11-22 (3) the general law relating to consent by political  
11-23 subdivisions to the creation of districts with conservation,  
11-24 reclamation, and road powers and the inclusion of land in those  
11-25 districts has been complied with; and

11-26 (4) all requirements of the constitution and laws of  
11-27 this state and the rules and procedures of the legislature with  
11-28 respect to the notice, introduction, and passage of this Act have  
11-29 been fulfilled and accomplished.

11-30 SECTION 34. EFFECTIVE DATE. This Act takes effect February  
11-31 15, 2004.

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