By: Marchant H.B. No. 3508

A BILL TO BE ENTITLED

AN ACT

relating to the adoption of a nonsubstantive revision of local laws concerning special districts, including conforming amendments.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. ADOPTION OF CODE. The Special District Local Laws Code is adopted to read as follows:

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 1. GENERAL PROVISIONS

CHAPTER 1. GENERAL PROVISIONS

[Chapters 2-20 reserved for expansion]

TITLE 2. ENVIRONMENT AND SANITATION

SUBTITLE A. SOLID WASTE MANAGEMENT

[Chapters 21-1000 reserved for expansion]

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

[Chapter 1001 reserved for expansion]

CHAPTER 1002. ANGLETON-DANBURY HOSPITAL DISTRICT OF BRAZORIA COUNTY, TEXAS

CHAPTER 1003. BOOKER HOSPITAL DISTRICT

[Chapters 1004-3000 reserved for expansion]

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE A. AGRICULTURE

CHAPTER 3001. SOUTHEAST TEXAS AGRICULTURAL DEVELOPMENT DISTRICT

[Chapters 3002-3500 reserved for expansion]

SUBTITLE B. DEFENSE BASE DEVELOPMENT

CHAPTER 3501. LUBBOCK REESE REDEVELOPMENT AUTHORITY

CHAPTER 3502. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY

[Chapters 3503-3800 reserved for expansion]

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3801. HOUSTON DOWNTOWN MANAGEMENT DISTRICT

CHAPTER 3802. WESTCHASE DISTRICT

CHAPTER 3803. GREATER GREENSPOINT MANAGEMENT DISTRICT OF HARRIS COUNTY

CHAPTER 3804. FIRST COLONY MANAGEMENT DISTRICT

CHAPTER 3805. UPPER KIRBY MANAGEMENT DISTRICT

CHAPTER 3806. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

CHAPTER 3807. GREATER EAST END MANAGEMENT DISTRICT

CHAPTER 3808. EAST DOWNTOWN MANAGEMENT DISTRICT

CHAPTER 3809. MIDTOWN MANAGEMENT DISTRICT

CHAPTER 3810. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

CHAPTER 3811. NEAR NORTHWEST MANAGEMENT DISTRICT

CHAPTER 3812. GREATER NORTHSIDE MANAGEMENT DISTRICT

CHAPTER 3813. OLD TOWN SPRING IMPROVEMENT DISTRICT

CHAPTER 3814. ENERGY CORRIDOR MANAGEMENT DISTRICT

CHAPTER 3815. GREATER SOUTHEAST MANAGEMENT DISTRICT

CHAPTER 3816. FRISCO SQUARE MANAGEMENT DISTRICT

CHAPTER 3817. ALDINE COMMUNITY IMPROVEMENT DISTRICT

[Chapters 3818-5000 reserved for expansion]

TITLE 5. TRANSPORTATION

SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES

CHAPTER 5001. ARANSAS COUNTY NAVIGATION DISTRICT NO. 1

[Chapters 5002-5200 reserved for expansion]

SUBTITLE B. ROAD AND ROAD UTILITY DISTRICTS

[Chapters 5201-6600 reserved for expansion]

TITLE 6. WATER AND WASTEWATER

SUBTITLE A. DRAINAGE DISTRICTS

CHAPTER 6601. ANGLETON DRAINAGE DISTRICT

[Chapters 6602-6900 reserved for expansion]

SUBTITLE B. FRESH WATER SUPPLY DISTRICTS

CHAPTER 6901. BAYVIEW MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY

[Chapters 6902-7200 reserved for expansion]

SUBTITLE C. SPECIAL UTILITY DISTRICTS

[Chapters 7201-7500 reserved for expansion]

SUBTITLE D. IRRIGATION DISTRICTS

[Chapters 7501-7800 reserved for expansion]

SUBTITLE E. LEVEE IMPROVEMENT DISTRICTS

CHAPTER 7801. BOIS D'ARC ISLAND LEVEE IMPROVEMENT DISTRICT OF DALLAS AND KAUFMAN COUNTIES

[Chapters 7802-8100 reserved for expansion]

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

CHAPTER 8101. ATHENS MUNICIPAL WATER AUTHORITY

CHAPTER 8102. ADDICKS UTILITY DISTRICT

[Chapters 8103-8500 reserved for expansion]

SUBTITLE G. RIVER AUTHORITIES

CHAPTER 8501. ANGELINA AND NECHES RIVER AUTHORITY

[Chapters 8502-8800 reserved for expansion]

SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER

CHAPTER 8801. HARRIS-GALVESTON COASTAL SUBSIDENCE DISTRICT

[Chapters 8802-9000 reserved for expansion]

SUBTITLE I. WATER CONTROL AND IMPROVEMENT DISTRICTS

[Chapters 9001 and 9002 reserved for expansion]

CHAPTER 9003. AQUILLA-HACKBERRY CREEK CONSERVATION DISTRICT

[Chapters 9004-9300 reserved for expansion]

SUBTITLE J. WATER IMPROVEMENT DISTRICTS

CHAPTER 9301. CAMERON COUNTY WATER IMPROVEMENT DISTRICT NUMBER TEN

[Chapters 9302-9500 reserved for expansion]

SUBTITLE K. SEAWALL COMMISSIONS

CHAPTER 9501. SEAWALL COMMISSION IN MATAGORDA COUNTY

[Chapters 9502-11000 reserved for expansion]

SUBTITLE X. DISTRICTS WITH COMBINED POWERS

CHAPTER 11001. ROAD DISTRICT AUTHORITY OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 1. GENERAL PROVISIONS

CHAPTER 1. GENERAL PROVISIONS

Sec. 1.001. PURPOSE OF CODE

Sec. 1.002. CONSTRUCTION OF CODE

Sec. 1.003. REFERENCE IN LAW TO STATUTE REVISED BY CODE

CHAPTER 1. GENERAL PROVISIONS

Sec. 1.001. PURPOSE OF CODE. (a) This code is enacted as a part of the state's continuing statutory revision program, begun by the Texas Legislative Council in 1963 as directed by the legislature in the law codified as Section 323.007, Government Code. The program contemplates a topic-by-topic revision of the state's general and permanent statute law without substantive change.

(b) Consistent with the objectives of the statutory revision program, the purpose of this code is to make the law encompassed by this code more accessible and understandable by:

(1) rearranging the statutes into a more logical order;

(2) employing a format and numbering system designed to facilitate citation of the law and to accommodate future expansion of the law;

(3) eliminating repealed, duplicative, unconstitutional, expired, executed, and other ineffective provisions; and

(4) restating the law in modern American English to the greatest extent possible. (New.)

Sec. 1.002. CONSTRUCTION OF CODE. Chapter 311, Government Code (Code Construction Act), applies to the construction of each provision in this code except as otherwise expressly provided by this code. (New.)

Sec. 1.003. REFERENCE IN LAW TO STATUTE REVISED BY CODE. A reference in a law to a statute or a part of a statute revised by this code is considered to be a reference to the part of this code

that revises that statute or part of that statute. (New.)

[Chapters 2-20 reserved for expansion]

TITLE 2. ENVIRONMENT AND SANITATION

SUBTITLE A. SOLID WASTE MANAGEMENT

[Chapters 21-1000 reserved for expansion]

TITLE 3. HEALTH

SUBTITLE A. HOSPITAL DISTRICTS

[Chapter 1001 reserved for expansion]

CHAPTER 1002. ANGLETON-DANBURY HOSPITAL DISTRICT OF BRAZORIA COUNTY, TEXAS

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Sec. 1002.002. AUTHORITY FOR CREATION

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Sec. 1002.053. BOARD VACANCY

Sec. 1002.054. OFFICERS

Sec. 1002.055. COMPENSATION; REIMBURSEMENT

Sec. 1002.056. VOTING REQUIREMENT

Sec. 1002.057. RECRUITMENT OF STAFF AND EMPLOYEES

Sec. 1002.058. STAFF PHYSICIAN OFFICE FACILITIES

Sec. 1002.059. HEALTH EDUCATION PROGRAMS FOR STAFF AND EMPLOYEES

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Sec. 1002.103. POWERS OF BOARD

Sec. 1002.104. HOSPITAL SYSTEM

Sec. 1002.105. OPERATING, MANAGEMENT, OR CONSULTING CONTRACTS

Sec. 1002.106. PROVISION OF SERVICES OUTSIDE DISTRICT

Sec. 1002.107. EMINENT DOMAIN

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[Sections 1002.110-1002.150 reserved for expansion]

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1002.151. PETITION TO EXPAND DISTRICT TERRITORY

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Sec. 1002.153. ORDER OF ANNEXATION

Sec. 1002.154. RATIFICATION ELECTION

Sec. 1002.155. ASSUMPTION OF DEBTS AND TAXES

[Sections 1002.156-1002.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

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Sec. 1002.202. NOTICE OF ELECTION

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Sec. 1002.204. ELECTION RESULTS
Sec. 1002.205. TRANSFER OR ADMINISTRATION OF ASSETS
Sec. 1002.206. SALE OR TRANSFER OF ASSETS AND LIABILITIES
Sec. 1002.207. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES
Sec. 1002.208. REPORT; DISSOLUTION ORDER
[Sections 1002.209-1002.250 reserved for expansion]
SUBCHAPTER F. DISTRICT FUNDS
Sec. 1002.251. DEPOSITORY
Sec. 1002.252. AUTHORITY TO BORROW MONEY; SECURITY
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SUBCHAPTER G. BONDS
Sec. 1002.301. GENERAL OBLIGATION BONDS
Sec. 1002.302. TAXES TO PAY GENERAL OBLIGATION BONDS
Sec. 1002.303. GENERAL OBLIGATION BOND ELECTION
Sec. 1002.304. EXECUTION OF GENERAL OBLIGATION BONDS
Sec. 1002.305. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS
Sec. 1002.306. REVENUE BONDS
[Sections 1002.307-1002.350 reserved for expansion]
SUBCHAPTER H. TAXES
Sec. 1002.351. IMPOSITION OF TAXES
Sec. 1002.352. TAX ASSESSOR-COLLECTOR
CHAPTER 1002. ANGLETON-DANBURY HOSPITAL DISTRICT OF BRAZORIA COUNTY, TEXAS
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1002.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Angleton-Danbury Hospital District of Brazoria County, Texas.

(3) "Director" means a member of the board. (New.)

Sec. 1002.002. AUTHORITY FOR CREATION. The Angleton-Danbury Hospital District of Brazoria County, Texas, is created under the authority of Section 9, Article IX, Texas Constitution. (Acts 60th Leg., R.S., Ch. 120, Sec. 1 (part).)

Sec. 1002.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state. (Acts 60th Leg., R.S., Ch. 120, Sec. 15 (part).)

Sec. 1002.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, as that territory may have been modified under:

(1) Subchapter D or its predecessor statute, Section 4a, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967; or

(2) other law.

(b) The legislature finds that the boundaries and field notes of the district contained in Section 1, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the

district;

(2) the right of the district to issue bonds;

(3) the right of the district to impose taxes; or

(4) the legality or operation of the district in any other manner. (Acts 60th Leg., R.S., Ch. 120, Sec. 1 (part); New.)

Sec. 1002.005. CORRECTION OF INVALID PROCEDURES. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution. (Acts 60th Leg., R.S., Ch. 120, Sec. 17 (part).)

Sec. 1002.006. DISTRICT SUPPORT AND MAINTENANCE NOT STATE OBLIGATION. The support and maintenance of the district's hospital system may not become a charge against or obligation of this state. (Acts 60th Leg., R.S., Ch. 120, Sec. 8 (part).)

[Sections 1002.007-1002.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1002.051. BOARD OF DIRECTORS; ELECTION. (a) The board consists of nine persons elected as provided by this section.

(b) For the purpose of electing a board, the district is divided into three areas:

(1) Area Angleton, composed of:

(A) all territory within Brazoria County election precincts Nos. 1, 2, and 5 that is within the boundaries of the Angleton Independent School District, as those precincts and those boundaries existed on January 1, 1967; and

(B) that part of Brazoria County election precinct No. 6 that is west of Chocolate Bayou and within the

boundaries of the Angleton Independent School District, as that precinct and those boundaries existed on January 1, 1967;

(2) Area Danbury, composed of all territory within the boundaries of the Danbury Independent School District, as those boundaries existed on January 1, 1967; and

(3) Area Rosharon, composed of:

(A) all territory within Brazoria County election precinct No. 9 that is not within the boundaries of the Danbury Independent School District, as that precinct and those boundaries existed on January 1, 1967; and

(B) all territory within Brazoria County election precinct No. 21 that is not within the boundaries of the Manvel Independent School District, as that precinct and those boundaries existed on January 1, 1967.

(c) A change in the boundaries of an election precinct or a school district does not affect or change the boundaries of an area prescribed by Subsection (b).

(d) Eight directors are elected by position and one director is elected at large. The persons elected for Director, Position Nos. 1, 2, 3, 4, and 5 must be residents of Area Angleton. The persons elected for Director, Position Nos. 6 and 7 must be residents of Area Danbury. The person elected for Director, Position No. 8 must be a resident of Area Rosharon. The director elected for Position No. 9 must be a resident of the district at large.

(e) At each directors' election, all qualified voters of the district may vote for directors. The candidate for a position

receiving the highest number of votes for election to that position is a director for the district.

(f) Directors serve staggered two-year terms unless four-year terms are established under Section 285.081, Health and Safety Code. If the directors serve two-year terms, the terms of directors elected to odd-numbered positions expire in even-numbered years and the terms of directors elected to even-numbered positions expire in odd-numbered years. (Acts 60th Leg., R.S., Ch. 120, Sec. 4 (part).)

Sec. 1002.052. BOND; RECORD OF BOND AND OATH OF OFFICE. (a) Each director shall execute a good and sufficient bond for $5,000 that is:

(1) approved by the Commissioners Court of Brazoria County and the board;

(2) payable to the district; and

(3) conditioned on the faithful performance of the director's duties.

(b) The bond and the constitutional oath of office shall be kept in the permanent records of the district. (Acts 60th Leg., R.S., Ch. 120, Sec. 4 (part).)

Sec. 1002.053. BOARD VACANCY. (a) If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term.

(b) If the number of directors is reduced to less than five, the remaining directors shall immediately call a special election to fill the vacancies. On application of any voter or taxpayer of the district when the board fails to call an election, a district

court may order the directors to hold the election. (Acts 60th Leg., R.S., Ch. 120, Sec. 7 (part).)

Sec. 1002.054. OFFICERS. The board shall elect a president and a secretary from among the directors to serve until the next directors election. (Acts 60th Leg., R.S., Ch. 120, Sec. 7 (part).)

Sec. 1002.055. COMPENSATION; REIMBURSEMENT. A director serves without compensation but may be reimbursed for actual expenses incurred by the director in the performance of official duties on the approval of the expenses by the board. (Acts 60th Leg., R.S., Ch. 120, Sec. 7 (part).)

Sec. 1002.056. VOTING REQUIREMENT. A concurrence of five directors is sufficient in any matter relating to the business of the district. (Acts 60th Leg., R.S., Ch. 120, Sec. 7 (part).)

Sec. 1002.057. RECRUITMENT OF STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to recruit physicians and other persons to serve as medical staff members or district employees, including:

(1) advertising and marketing;

(2) paying travel, recruitment, and relocation expenses; and

(3) providing a loan or scholarship to a physician, or a person currently enrolled in health care education courses at an institution of higher education, who contractually agrees to become a medical staff member or district employee. (Acts 60th Leg., R.S., Ch. 120, Sec. 7A(c).)

Sec. 1002.058. STAFF PHYSICIAN OFFICE FACILITIES. (a) The board shall determine the type, number, and location of buildings

necessary to establish and maintain office facilities for staff physicians to provide adequate medical care.

(b) The board may:

(1) acquire property and equipment and construct facilities for the district for use by staff physicians; and

(2) mortgage or pledge the property, equipment, or facilities as security for the payment of the purchase price or construction cost.

(c) The board may lease the office facilities and equipment to staff physicians or may sell or otherwise dispose of the property, facilities, and equipment. (Acts 60th Leg., R.S., Ch. 120, Secs. 12A(a), (b), (c).)

Sec. 1002.059. HEALTH EDUCATION PROGRAMS FOR STAFF AND EMPLOYEES. The board may spend district money, enter into agreements, and take other necessary action to conduct, participate in, or otherwise assist in providing health care educational programs for current or prospective medical staff members or district employees. (Acts 60th Leg., R.S., Ch. 120, Sec. 7A(d).)

Sec. 1002.060. RETIREMENT BENEFITS. The board may provide retirement benefits for district employees by:

(1) establishing or administering a retirement program; or

(2) participating in:

(A) the Texas County and District Retirement System; or

(B) another statewide retirement system in which the district is eligible to participate. (Acts 60th Leg., R.S., Ch.

120, Sec. 7A(e).)

[Sections 1002.061-1002.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1002.101. DISTRICT RESPONSIBILITY. The district has full responsibility for providing medical and hospital care for the district's needy residents. (Acts 60th Leg., R.S., Ch. 120, Sec. 2(a) (part).)

Sec. 1002.102. LIMITATION ON CERTAIN POLITICAL SUBDIVISIONS. A political subdivision other than the district in Brazoria County may not impose taxes or issue bonds or other obligations for hospital purposes or to provide medical care for district residents. (Acts 60th Leg., R.S., Ch. 120, Sec. 2(a) (part).)

Sec. 1002.103. POWERS OF BOARD. (a) The board has all powers necessary, convenient, or incidental to carry out the purposes for which the district was created.

(b) The board has the complete management and control of all the business of the district, including the power to negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, to operate and maintain a hospital or hospitals, and to negotiate and contract with other political subdivisions of the state or private individuals, associations, or corporations for those purposes, all as may be determined to be necessary or desirable for the district by the board.

(c) This section is not a limitation on the powers of the board. (Acts 60th Leg., R.S., Ch. 120, Secs. 4 (part), 7 (part).)

Sec. 1002.104. HOSPITAL SYSTEM. (a) The district shall

provide for the establishment of a hospital or hospital system within the district's boundaries to provide health care services to persons residing in the district by:

(1) purchasing, constructing, acquiring, repairing, or renovating buildings and improvements;

(2) equipping the buildings and improvements; and

(3) administering the buildings and improvements for hospital purposes.

(b) The hospital system may include any facility or equipment the board considers necessary or appropriate for providing health care services, including:

(1) domiciliary care and treatment of sick, injured, or geriatric patients;

(2) outpatient clinics;

(3) rural health clinics;

(4) convalescent home facilities;

(5) assisted living or personal care facilities;

(6) physicians' offices;

(7) home health care services;

(8) durable medical equipment;

(9) long-term care;

(10) skilled and intermediate nursing care;

(11) preventive care services;

(12) ancillary support;

(13) pharmacies;

(14) hospice care;

(15) community mental health centers; and

(16) alcohol or chemical dependency centers.

(c) The district may operate or assist in the operation of a mobile emergency medical service as part of the hospital system. (Acts 60th Leg., R.S., Ch. 120, Secs. 2(a) (part), (b).)

Sec. 1002.105. OPERATING, MANAGEMENT, OR CONSULTING CONTRACTS. (a) The board may enter into an operating, management, or consulting contract to obtain management or consulting services for the district or for any portion of the district. The contract must provide that the board retains responsibility for and control of the district's operation.

(b) A company providing services to the district under the contract, and the officers, directors, and employees of the company, while performing services under the contract for the benefit of the district:

(1) are solely employees of the district for purposes of any determination regarding the immunity or liability of the company or its officers, directors, and employees; and

(2) have immunity or limited liability under laws applicable to district employees, whether statutory or common law, to the extent a district employee would be entitled under the same circumstances. (Acts 60th Leg., R.S., Ch. 120, Sec. 7A(a).)

Sec. 1002.106. PROVISION OF SERVICES OUTSIDE DISTRICT. Subject to the approval of the board, the district may provide primary care, emergency services, preventive medical services, and other health-related services outside the district if the services serve the purpose of the district as established by this chapter. (Acts 60th Leg., R.S., Ch. 120, Sec. 7A(b).)

Sec. 1002.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in the territory of the district if the interest is necessary or convenient for the district to exercise the rights, powers, privileges, or functions conferred by this chapter.

(b) The district must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or a bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide bond for cost or supersedeas on an appeal or writ of error. (Acts 60th Leg., R.S., Ch. 120, Sec. 11.)

Sec. 1002.108. GIFTS AND ENDOWMENTS. (a) The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district.

(b) This section is not a limitation on the authority of the board. (Acts 60th Leg., R.S., Ch. 120, Sec. 16.)

Sec. 1002.109. AUTHORITY TO SUE AND BE SUED. As a

government agency, the district may sue and be sued in its own name in any court of this state. (Acts 60th Leg., R.S., Ch. 120, Sec. 15 (part).)

[Sections 1002.110-1002.150 reserved for expansion]

SUBCHAPTER D. CHANGE IN BOUNDARIES

Sec. 1002.151. PETITION TO EXPAND DISTRICT TERRITORY. (a) Territory may be added to the district on a petition for annexation signed by the owners of a majority in value of the land sought to be annexed, as shown by the county tax rolls.

(b) The petition must be filed with the secretary of the board. (Acts 60th Leg., R.S., Ch. 120, Sec. 4a (part).)

Sec. 1002.152. NOTICE OF HEARING. (a) The board shall pass an order fixing a time and place at which the petition shall be heard.

(b) The secretary shall issue notice of the time and place of the hearing. The notice must describe the territory proposed to be annexed by metes and bounds or by lot and block number, if there is a recorded map or plat and survey of the land.

(c) Notice of the hearing shall be given by publication of a copy of the notice in a newspaper of general circulation in Brazoria County at least one time, the date of the first publication to be at least 10 days before the date of the hearing. (Acts 60th Leg., R.S., Ch. 120, Sec. 4a (part).)

Sec. 1002.153. ORDER OF ANNEXATION. If, after hearing the petition, the board finds that the proposed annexation is to the advantage of the district and to the territory to be annexed, the board may by order annex the territory to the district. (Acts 60th

Leg., R.S., Ch. 120, Sec. 4a (part).)

Sec. 1002.154. RATIFICATION ELECTION. (a) Annexation of the territory does not become final until ratified by a majority vote at a separate election held within the boundaries of the district and by a majority vote at a separate election held within the territory to be annexed.

(b) The election must be called by the board on its own motion. The order calling the election shall specify the date, the place or places where the election shall be held, and the presiding election officers.

(c) Notice of the election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in Brazoria County once a week for two consecutive weeks, the date of the first publication to be at least 14 days before the date set for the election. (Acts 60th Leg., R.S., Ch. 120, Sec. 4a (part).)

Sec. 1002.155. ASSUMPTION OF DEBTS AND TAXES. If the district has outstanding debts or taxes, the proposition for assumption of its proportion of the debts or taxes by the territory if annexed shall also be submitted at the election. The annexed territory shall bear its pro rata part of all indebtedness or taxes that may be owed, contracted, or authorized by the district. (Acts 60th Leg., R.S., Ch. 120, Sec. 4a (part).)

[Sections 1002.156-1002.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 1002.201. DISSOLUTION; ELECTION. (a) The district may be dissolved only on approval of a majority of the voters voting

in an election held for that purpose.

(b) The board may order an election on the question of dissolving the district and disposing of the district's assets and obligations.

(c) The board shall order an election on the question of dissolution of the district if the board receives a petition requesting an election that is signed by a number of residents of the district equal to at least 15 percent of the registered voters in the district.

(d) The election shall be held not later than the 60th day after the date the election is ordered.

(e) The order calling the election must state:

(1) the nature of the election, including the proposition that is to appear on the ballot;

(2) the date of the election;

(3) the hours during which the polls will be open; and

(4) the location of the polling places.

(f) Section 41.001(a), Election Code, does not apply to an election ordered under this section. (Acts 60th Leg., R.S., Ch. 120, Secs. 20(a), (b), (c).)

Sec. 1002.202. NOTICE OF ELECTION. (a) The board shall give notice of the election by publishing a substantial copy of the election order in a newspaper with general circulation in the district once a week for two consecutive weeks.

(b) The first publication must appear at least 35 days before the date set for election. (Acts 60th Leg., R.S., Ch. 120, Sec. 20(d) (part).)

Sec. 1002.203. BALLOT. The ballot for the election shall be printed to permit voting for or against the proposition: "The dissolution of the Angleton-Danbury Hospital District of Brazoria County, Texas." (Acts 60th Leg., R.S., Ch. 120, Sec. 20(d) (part).)

Sec. 1002.204. ELECTION RESULTS. (a) If a majority of the votes in the election favor dissolution, the board shall find that the district is dissolved.

(b) If a majority of the votes in the election do not favor dissolution, the board shall continue to administer the district and another election on the question of dissolution may not be held before the first anniversary of the date of the most recent election to dissolve the district. (Acts 60th Leg., R.S., Ch. 120, Sec. 20(e).)

Sec. 1002.205. TRANSFER OR ADMINISTRATION OF ASSETS. (a) If a majority of the votes in the election held under this subchapter favor dissolution, the board shall:

(1) transfer the land, buildings, improvements, equipment, and other assets that belong to the district to Brazoria County or another governmental agency in Brazoria County; or

(2) administer the property, assets, and debts until all funds have been disposed of and all district debts have been paid or settled.

(b) If the board makes the transfer under Subsection (a)(1), the county or agency assumes all debts and obligations of the district at the time of the transfer, and the district is dissolved. (Acts 60th Leg., R.S., Ch. 120, Secs. 20(f), (g).)

Sec. 1002.206. SALE OR TRANSFER OF ASSETS AND

LIABILITIES. (a) Notwithstanding any other provision of this subchapter, the district may not be dissolved unless the board provides for the sale or transfer of the district's assets and liabilities to another person or entity.

(b) The dissolution of the district and the sale or transfer of the district's assets or liabilities may not contravene a trust indenture or bond resolution relating to the outstanding bonds of the district. The dissolution and sale or transfer does not diminish or impair the rights of a holder of an outstanding bond, warrant, or other obligation of the district.

(c) The sale or transfer of the district's assets and liabilities must satisfy the debt and bond obligations of the district in a manner that protects the interests of the residents of the district, including the residents' collective property rights in the district's assets. The district may not transfer or dispose of the district's assets except for due compensation unless the transfer is made to another governmental agency that serves the district and the transferred assets are to be used for the benefit of the residents of the district.

(d) A grant from federal funds is an obligation to be repaid in satisfaction. (Acts 60th Leg., R.S., Ch. 120, Secs. 20(m), (n).)

Sec. 1002.207. IMPOSITION OF TAX AND RETURN OF SURPLUS TAXES. (a) After the board finds that the district is dissolved, the board shall:

(1) determine the debt owed by the district; and

(2) impose on the property included in the district's tax rolls a tax that is in proportion of the debt to the property

value.

(b) When all outstanding debts and obligations of the district are paid, the board shall order the secretary to return the pro rata share of all unused tax money to each district taxpayer.

(c) A taxpayer may request that the taxpayer's share of surplus tax money be credited to the taxpayer's county taxes. If a taxpayer requests the credit, the board shall direct the secretary to transmit the funds to the county tax assessor-collector. (Acts 60th Leg., R.S., Ch. 120, Secs. 20(h), (i), (j).)

Sec. 1002.208. REPORT; DISSOLUTION ORDER. (a) After the district has paid all its debts and has disposed of all its assets and funds as prescribed by this subchapter, the board shall file a written report with the Commissioners Court of Brazoria County summarizing the board's actions in dissolving the district.

(b) Not later than the 10th day after the date the Commissioners Court of Brazoria County receives the report and determines that the requirements of this subchapter have been fulfilled, the commissioners court shall enter an order dissolving the district and releasing the board from any further duty or obligation. (Acts 60th Leg., R.S., Ch. 120, Secs. 20(k), (l).)

[Sections 1002.209-1002.250 reserved for expansion]

SUBCHAPTER F. DISTRICT FUNDS

Sec. 1002.251. DEPOSITORY. As soon as practicable after the creation election results favorably to the creation of the district, the board shall by resolution designate a bank within the county as the district's depository, and all funds of the district shall be secured in the manner provided for the security of county

funds. Such depository shall serve for a period of two years and until a successor has been selected. (Acts 60th Leg., R.S., Ch. 120, Sec. 10.)

Sec. 1002.252. AUTHORITY TO BORROW MONEY; SECURITY. (a) The board may borrow money for district obligations.

(b) To secure a loan, the board may pledge:

(1) revenue of the district that is not pledged to pay the district's bonded indebtedness;

(2) taxes to be imposed by the district in the next 12-month period that are not pledged to pay the principal of or interest on district bonds; or

(3) district bonds that have been authorized but not sold.

(c) A loan for which taxes or bonds are pledged must mature not later than the first anniversary of the date on which the loan is made. A loan for which district revenues are pledged must mature not later than the fifth anniversary of the date on which the loan is made. (Acts 60th Leg., R.S., Ch. 120, Sec. 12B.)

[Sections 1002.253-1002.300 reserved for expansion]

SUBCHAPTER G. BONDS

Sec. 1002.301. GENERAL OBLIGATION BONDS. (a) The board may issue and sell bonds authorized by an election in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings or improvements for hospital

purposes.

(b) The bonds shall be sold at the time, in the manner, and under the terms determined by the board. (Acts 60th Leg., R.S., Ch. 120, Sec. 12 (part).)

Sec. 1002.302. TAXES TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an annual ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the general obligation bonds as they mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on the $100 valuation of all taxable property in the district. (Acts 60th Leg., R.S., Ch. 120, Sec. 12 (part).)

Sec. 1002.303. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting in an election held for that purpose.

(b) The board may call the election on its own motion. The order calling the election must specify:

(1) the date of the election;

(2) the place or places where the election will be held;

(3) the names of the presiding election officers;

(4) the purpose for which the bonds are to be issued;

(5) the amount of the bonds;

(6) the maximum interest rate of the bonds; and

(7) the maximum maturity of the bonds, which may not

exceed 40 years from the date of issuance.

(c) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district as provided by Section 4.003(a)(1), Election Code. (Acts 60th Leg., R.S., Ch. 120, Sec. 12 (part).)

Sec. 1002.304. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the name of the district. The board secretary shall countersign the bonds. (Acts 60th Leg., R.S., Ch. 120, Sec. 12 (part).)

Sec. 1002.305. INVESTMENT OF GENERAL OBLIGATION BOND PROCEEDS. Any part of the proceeds of general obligation bonds, until they are needed for the purpose for which the bonds were issued, may be invested in securities of the United States or placed on time deposit or in certificates of deposit. (Acts 60th Leg., R.S., Ch. 120, Sec. 12 (part).)

Sec. 1002.306. REVENUE BONDS. (a) The board may issue revenue bonds to:

(1) purchase, construct, repair, renovate, or acquire buildings, sites, or improvements and equip buildings, sites, or improvements for hospitals and the hospital system; and

(2) establish and maintain office facilities for staff physicians under Section 1002.058.

(b) The bonds must be payable from and secured by a pledge of all or part of the revenues derived from the operation of the district's hospital system, including district facilities.

(c) Bonds issued under Subsection (a)(1) may be

additionally secured by a mortgage or deed of trust lien on all or part of the district property.

(d) Bonds issued under Subsection (a)(1) must be issued in the manner provided by Sections 264.042, 264.043, 264.046, 264.047, 264.048, and 264.049, Health and Safety Code.

(e) Bonds issued under Subsection (a)(2) must be issued in the manner provided by Sections 264.042-264.047(a), 264.048, and 264.049, Health and Safety Code. (Acts 60th Leg., R.S., Ch. 120, Secs. 12A(d), (e).)

[Sections 1002.307-1002.350 reserved for expansion]

SUBCHAPTER H. TAXES

Sec. 1002.351. IMPOSITION OF TAXES. (a) The board shall impose on all property subject to district taxation, for the benefit of the district, a tax at a rate not to exceed 75 cents on each $100 assessed value of the property according to the most recent certified appraisal roll of the district.

(b) The board shall impose the tax to:

(1) meet the requirements of the district's bonds;

(2) provide for the district's maintenance and operating expenses;

(3) make improvements and additions to the district's hospitals or hospital system; and

(4) acquire necessary sites for hospitals or the hospital system by gift, purchase, lease, or condemnation. (Acts 60th Leg., R.S., Ch. 120, Sec. 8 (part).)

Sec. 1002.352. TAX ASSESSOR-COLLECTOR. The board may provide for the appointment of a tax assessor-collector for the

district or may contract for the assessment and collection of taxes as provided by the Tax Code. (Acts 60th Leg., R.S., Ch. 120, Sec. 9 (part).)

CHAPTER 1003. BOOKER HOSPITAL DISTRICT

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Sec. 1003.002. AUTHORITY FOR OPERATION

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Sec. 1003.109. PAYMENT FOR TREATMENT; PROCEDURES

Sec. 1003.110. AUTHORITY TO SUE AND BE SUED

[Sections 1003.111-1003.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1003.151. BUDGET

Sec. 1003.152. FISCAL YEAR

Sec. 1003.153. ANNUAL AUDIT

Sec. 1003.154. DEPOSITORY

[Sections 1003.155-1003.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 1003.201. GENERAL OBLIGATION BONDS

Sec. 1003.202. TAXES TO PAY GENERAL OBLIGATION BONDS

Sec. 1003.203. GENERAL OBLIGATION BOND ELECTION

Sec. 1003.204. EXECUTION OF GENERAL OBLIGATION BONDS

Sec. 1003.205. REFUNDING BONDS

[Sections 1003.206-1003.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1003.251. IMPOSITION OF TAXES

Sec. 1003.252. POWERS AND DUTIES OF COUNTY TAX ASSESSOR; FEES

Sec. 1003.253. INTEREST, PENALTIES, AND DISCOUNTS

CHAPTER 1003. BOOKER HOSPITAL DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1003.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Booker Hospital District. (New.)

Sec. 1003.002. AUTHORITY FOR OPERATION. The Booker Hospital District operates under the authority of Section 9, Article IX, Texas Constitution. (Acts 58th Leg., R.S., Ch. 411, Sec. 1 (part).)

Sec. 1003.003. POLITICAL SUBDIVISION. The district is a political subdivision of this state. (Acts 58th Leg., R.S., Ch. 411, Sec. 16 (part).)

Sec. 1003.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 411, Acts of the 58th Legislature, Regular Session, 1963. (New.)

Sec. 1003.005. CORRECTION OF INVALID PROCEDURE. If a court holds that any procedure under this chapter violates the constitution of this state or of the United States, the district by resolution may provide an alternative procedure that conforms with the constitution. (Acts 58th Leg., R.S., Ch. 411, Sec. 17 (part); Acts 63rd Leg., R.S., Ch. 541, Sec. 5 (part).)

[Sections 1003.006-1003.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 1003.051. BOARD. The district is governed by a board of seven directors. (Acts 58th Leg., R.S., Ch. 411, Sec. 3(e)

(part).)

Sec. 1003.052. TERM; ELECTION. (a) Unless a four-year term is established under Section 285.081, Health and Safety Code:

(1) directors serve staggered terms of two years;

(2) three directors shall be elected in odd-numbered years and four directors shall be elected in even-numbered years; and

(3) a directors election shall be held on the first Saturday in May of each year to elect the appropriate number of directors.

(b) Directors are elected at large. (Acts 58th Leg., R.S., Ch. 411, Secs. 3(e) (part), 3A(a).)

Sec. 1003.053. VACANCY. If a vacancy occurs in the office of director, the remaining directors shall appoint a director for the remainder of the unexpired term. (Acts 58th Leg., R.S., Ch. 411, Sec. 3A(b).)

Sec. 1003.054. OFFICERS. The board shall elect a president and a secretary from among the directors to serve until the next directors election. (Acts 58th Leg., R.S., Ch. 411, Sec. 4 (part).)

Sec. 1003.055. COMPENSATION; EXPENSES. A director serves without compensation but may be reimbursed for actual expenses incurred in the performance of official duties on the approval of the expenses by the entire board. (Acts 58th Leg., R.S., Ch. 411, Sec. 4 (part).)

Sec. 1003.056. EMPLOYEES. The board may employ a general manager, attorney, financial advisor, bookkeeper, or architect. (Acts 58th Leg., R.S., Ch. 411, Sec. 7 (part).)

Sec. 1003.057. MAINTENANCE OF RECORDS; PUBLIC INSPECTION. All district records, including books, accounts, notices, minutes, and all other matters of the district and the operation of its facilities, shall be:

(1) maintained at the district office; and

(2) open to public inspection at the district office at all reasonable hours. (Acts 58th Leg., R.S., Ch. 411, Sec. 7 (part).)

Sec. 1003.058. SEAL. The board may adopt a seal for the district. (Acts 58th Leg., R.S., Ch. 411, Sec. 7 (part).)

[Sections 1003.059-1003.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 1003.101. DISTRICT RESPONSIBILITY. The district has full responsibility for the operation of all hospital facilities for providing hospital care for the district's needy residents. (Acts 58th Leg., R.S., Ch. 411, Sec. 12 (part).)

Sec. 1003.102. LIMITATION ON CERTAIN POLITICAL SUBDIVISIONS. A political subdivision within the district may not impose taxes or issue bonds or other obligations for hospital purposes or to provide medical care for district residents. (Acts 58th Leg., R.S., Ch. 411, Sec. 12 (part).)

Sec. 1003.103. MANAGEMENT AND CONTROL. The board has the complete management and control of all the business of the district, including the power to negotiate and contract with any person to purchase or lease land, to construct and equip a hospital system, to operate and maintain the hospital, and to negotiate and contract with other political subdivisions of the state or private

individuals, associations, or corporations for those purposes. (Acts 58th Leg., R.S., Ch. 411, Sec. 4 (part).)

Sec. 1003.104. HOSPITAL SYSTEM. The district may establish a hospital system to provide medical and hospital care to persons residing in the district. (Acts 58th Leg., R.S., Ch. 411, Sec. 2 (part).)

Sec. 1003.105. RULES. (a) The board may adopt rules governing the operation of the district, including district facilities.

(b) On approval by the board, the rules may be published in booklet form at district expense and made available to any taxpayer on request. (Acts 58th Leg., R.S., Ch. 411, Sec. 7 (part).)

Sec. 1003.106. PURCHASING AND ACCOUNTING PROCEDURES. (a) The board may prescribe the method and manner of the making of purchases and expenditures by the district.

(b) The board shall prescribe:

(1) all accounting and control procedures; and

(2) the method of purchasing necessary supplies, materials, and equipment. (Acts 58th Leg., R.S., Ch. 411, Sec. 7 (part).)

Sec. 1003.107. EMINENT DOMAIN. (a) The district may exercise the power of eminent domain to acquire a fee simple or other interest in any type of property, real, personal, or mixed, located in the territory of the district if the interest is necessary or convenient for the district to exercise the rights, powers, privileges, or functions conferred by this chapter.

(b) The district must exercise the power of eminent domain

in the manner provided by Chapter 21, Property Code, but the district is not required to deposit in the trial court money or bond as provided by Section 21.021(a), Property Code.

(c) In a condemnation proceeding brought by the district, the district is not required to:

(1) pay in advance or provide bond or other security for costs in the trial court;

(2) provide bond for the issuance of a temporary restraining order or a temporary injunction; or

(3) provide bond for costs or supersedeas on an appeal or writ of error. (Acts 58th Leg., R.S., Ch. 411, Sec. 9.)

Sec. 1003.108. GIFTS AND ENDOWMENTS. The board may accept for the district a gift or endowment to be held in trust and administered by the board for the purposes and under the directions, limitations, or other provisions prescribed in writing by the donor that are not inconsistent with the proper management and objectives of the district. (Acts 58th Leg., R.S., Ch. 411, Sec. 14.)

Sec. 1003.109. PAYMENT FOR TREATMENT; PROCEDURES. (a) When a patient from the county has been admitted to a district facility, the board shall require an inquiry into the circumstances of:

(1) the patient; and

(2) the patient's relatives who are legally liable for the patient's support.

(b) If an agent designated by the district to handle these affairs finds that the patient or the relatives are not able to pay

all or part of the costs of the care and treatment in the hospital, the care and treatment shall become a charge on the district.

(c) If the agent finds that the patient or the patient's relatives are liable to pay for all or part of the costs of the care and treatment, an order shall be made directing the patient or the relatives to pay a specified amount per week to the treasurer for the support of the patient. The amount ordered must be proportionate to financial ability and may not exceed the actual per capita cost of maintenance.

(d) The district may collect the sum from the patient's estate, or from any relatives legally liable for the patient's support, in the manner provided by law for the collection of expenses of the last illness of a deceased person.

(e) If there is a dispute as to the ability to pay, or doubt in the mind of the district's designated agent, the board shall hear and determine the dispute or resolve the doubt, after calling witnesses, and shall make a proper order. The order may be appealed to the district court by either party to the dispute. (Acts 58th Leg., R.S., Ch. 411, Sec. 13.)

Sec. 1003.110. AUTHORITY TO SUE AND BE SUED. As a governmental agency, the district may sue and be sued in its own name in any court of this state. (Acts 58th Leg., R.S., Ch. 411, Sec. 16 (part).)

[Sections 1003.111-1003.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 1003.151. BUDGET. (a) Each year, the board shall prepare a budget showing for the following fiscal year:

(1) the proposed expenditures and disbursements;

(2) the estimated receipts and collections; and

(3) the amount of taxes required to be imposed during the year.

(b) The board shall hold a public hearing on the proposed budget. At least 10 days before the date of hearing, at least one notice of the hearing shall be published in a newspaper of general circulation in the county.

(c) Any district taxpayer is entitled to appear at the time and place designated in the notice and to be heard regarding any item shown in the proposed budget. (Acts 58th Leg., R.S., Ch. 411, Sec. 8 (part).)

Sec. 1003.152. FISCAL YEAR. The district's fiscal year begins on October 1 and ends on September 30. (Acts 58th Leg., R.S., Ch. 411, Sec. 8 (part).)

Sec. 1003.153. ANNUAL AUDIT. (a) For each fiscal year, the board shall have an independent audit made of the district's books and records.

(b) Not later than December 31 each year, the audit shall be filed with the comptroller and at the district office. (Acts 58th Leg., R.S., Ch. 411, Sec. 8 (part).)

Sec. 1003.154. DEPOSITORY. (a) The board by resolution shall designate one or more banks in the district as the district's depository or treasurer. A designated bank serves for two years and until a successor is designated.

(b) All income received by the district, including tax revenue after deducting discounts and fees for assessing and

collecting the taxes, shall be deposited with the district depository and may be withdrawn only as provided by this chapter.

(c) All district funds shall be secured in the manner provided for securing county funds. (Acts 58th Leg., R.S., Ch. 411, Secs. 5 (part), 10.)

[Sections 1003.155-1003.200 reserved for expansion]

SUBCHAPTER E. BONDS

Sec. 1003.201. GENERAL OBLIGATION BONDS. The board may issue and sell bonds in the name and on the faith and credit of the district to:

(1) purchase, construct, acquire, repair, or renovate buildings or improvements; and

(2) equip buildings or improvements for hospital purposes. (Acts 58th Leg., R.S., Ch. 411, Sec. 6 (part).)

Sec. 1003.202. TAXES TO PAY GENERAL OBLIGATION BONDS. (a) The board shall impose an ad valorem tax in an amount sufficient to create an interest and sinking fund to pay the principal of and interest on the general obligation bonds as they mature.

(b) The tax required by this section together with any other tax the district imposes in any year may not exceed 75 cents on each $100 assessed value of the property according to the most recent certified tax appraisal roll of the district. (Acts 58th Leg., R.S., Ch. 411, Sec. 6 (part).)

Sec. 1003.203. GENERAL OBLIGATION BOND ELECTION. (a) The district may issue general obligation bonds only if the bonds are authorized by a majority of the voters voting at an election held

for that purpose.

(b) The board may call an election on its own motion and must specify:

(1) the place or places where the election will be held;

(2) the presiding election officers;

(3) the purpose for which the bonds are to be issued;

(4) the amount of the bonds;

(5) the maximum interest rate of the bonds; and

(6) the maximum maturity of the bonds, which may not exceed 40 years from the date of issuance.

(c) Notice of a bond election shall be given by publishing a substantial copy of the order calling the election in a newspaper of general circulation in the district once a week for two consecutive weeks before the date of the election. The first publication must occur not later than the 21st day before the date set for the election.

(d) The district shall pay the costs of the election. (Acts 58th Leg., R.S., Ch. 411, Sec. 6 (part).)

Sec. 1003.204. EXECUTION OF GENERAL OBLIGATION BONDS. The board president shall execute the general obligation bonds in the name of the district. The board secretary shall countersign the bonds. (Acts 58th Leg., R.S., Ch. 411, Sec. 6 (part).)

Sec. 1003.205. REFUNDING BONDS. (a) The board may, without an election, issue refunding bonds to refund outstanding bonds issued or assumed by the district.

(b) Subject to Subsection (c), a refunding bond may be:

(1) sold, with the proceeds of the refunding bonds applied to the payment of the bonds to be refunded; or

(2) exchanged in whole or in part for not less than a like amount of bonds to be refunded and the matured but unpaid interest on those bonds.

(c) The average annual interest cost on the refunding bonds, computed in accordance with recognized standard bond interest cost tables, may not exceed the average annual interest cost on the bonds to be refunded, unless the total interest cost on the refunding bonds to their maturity dates is less than the total interest cost on the bonds to be refunded.

(d) Any premium required to be paid, as a condition to payment in advance of the stated maturity dates, on the bonds to be refunded must be included in computing the net interest cost to the district of the refunding bonds. (Acts 58th Leg., R.S., Ch. 411, Sec. 6 (part).)

[Sections 1003.206-1003.250 reserved for expansion]

SUBCHAPTER F. TAXES

Sec. 1003.251. IMPOSITION OF TAXES. (a) The board shall impose on all property subject to district taxation, for the benefit of the district, a tax at a rate not to exceed 75 cents on each $100 assessed value of the property according to the most recent certified tax appraisal roll of the district.

(b) The board shall impose the tax to:

(1) pay the principal of and interest on, and to create an interest and sinking fund for, bonds that may have been assumed or that may be issued by the district for hospital purposes;

(2) provide for the operation and maintenance of the hospital or hospital system;

(3) make improvements and additions to the hospital system; and

(4) acquire necessary sites for the hospital system by purchase, lease, or condemnation. (Acts 58th Leg., R.S., Ch. 411, Sec. 5 (part).)

Sec. 1003.252. POWERS AND DUTIES OF COUNTY TAX ASSESSOR; FEES. (a) The county tax assessor and collector shall collect the tax imposed under this subchapter unless the board by majority vote appoints a tax assessor and collector under Section 285.041, Health and Safety Code.

(b) The county tax assessor and collector shall charge and deduct from payments to the district a fee for imposing the tax in an amount determined by the board not to exceed the lesser of one percent of the amount collected or $5,000 for the fiscal year. The fees shall be deposited in the county's general fund and shall be reported as fees of the tax assessor and collector. (Acts 58th Leg., R.S., Ch. 411, Secs. 5 (part), 5(a) (part), 8 (part).)

Sec. 1003.253. INTEREST, PENALTIES, AND DISCOUNTS. Interest, penalties, and discounts on taxes paid to the district shall be the same as for county taxes. (Acts 58th Leg., R.S., Ch. 411, Sec. 5 (part).)

[Chapters 1004-3000 reserved for expansion]

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE A. AGRICULTURE

CHAPTER 3001. SOUTHEAST TEXAS AGRICULTURAL DEVELOPMENT

DISTRICT

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Sec. 3001.002. SOUTHEAST TEXAS AGRICULTURAL DEVELOPMENT DISTRICT

Sec. 3001.003. PURPOSE AND NATURE OF DISTRICT

Sec. 3001.004. DISTRICT TERRITORY

Sec. 3001.005. APPLICABILITY OF AND RELATION TO OTHER LAW

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Sec. 3001.053. TERMS

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Sec. 3001.055. REMOVAL; VACANCY

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Sec. 3001.057. MEETINGS

Sec. 3001.058. COMPENSATION; REIMBURSEMENT

Sec. 3001.059. CONFLICT OF INTEREST; DISCLOSURE REQUIRED

[Sections 3001.060-3001.100 reserved for expansion]

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Sec. 3001.120. SUITS

Sec. 3001.121. INDEMNIFICATION

Sec. 3001.122. OFFICIAL SEAL

[Sections 3001.123-3001.150 reserved for expansion]

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Sec. 3001.151. POWERS AND DUTIES RELATED TO FINANCES

Sec. 3001.152. OBLIGATIONS

Sec. 3001.153. APPROVAL OF ASSESSMENT OBLIGATIONS

[Sections 3001.154-3001.200 reserved for expansion]

SUBCHAPTER E. ASSESSMENTS

Sec. 3001.201. GENERAL POWERS RELATED TO ASSESSMENTS

Sec. 3001.202. AREA TO BE ASSESSED; LIMITATIONS

Sec. 3001.203. HEARING AND PETITION REQUIRED

Sec. 3001.204. APPORTIONMENT OF COSTS

Sec. 3001.205. ASSESSMENT TO FINANCE PROJECT OR SERVICE

Sec. 3001.206. ASSESSMENT ROLL

Sec. 3001.207. ASSESSMENT AS LIEN

Sec. 3001.208. CORRECTION OF MISTAKE

Sec. 3001.209. NOTICE OF HEARING ON PROPOSED ASSESSMENT

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[Sections 3001.216-3001.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3001.251. DISSOLUTION

CHAPTER 3001. SOUTHEAST TEXAS AGRICULTURAL DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3001.001. DEFINITIONS. In this chapter:

(1) "Assessment" includes a reassessment or supplemental assessment.

(2) "Board" means the board of directors of the district.

(3) "Director" means a board member.

(4) "District" means the Southeast Texas Agricultural

Development District.

(5) "Obligation" means an obligation issued by the district under this chapter, including a bond, certificate, note, or other evidence of indebtedness.

(6) "Project" means an agricultural project designated under Section 3001.110. (Loc. Gov. Code, Secs. 384.001(1), (2), (3), (5), (6), (7), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.002. SOUTHEAST TEXAS AGRICULTURAL DEVELOPMENT DISTRICT. (a) The Southeast Texas Agricultural Development District is created as a special district.

(b) The board by resolution may change the district's name. (Loc. Gov. Code, Sec. 384.021, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.003. PURPOSE AND NATURE OF DISTRICT. (a) The district is created as a conservation and reclamation district under Section 59, Article XVI, Texas Constitution, to:

(1) conserve and develop the natural resources of this state, including certain agricultural resources;

(2) conserve the soil for certain agricultural uses;

(3) reclaim or drain overflowed lands or provide necessary irrigation for certain natural agricultural resources; and

(4) provide credit, grants, or other things of value to aid persons as provided by Section 52(a), Article III, Texas Constitution.

(b) The district exercises public and essential

governmental functions.

(c) The creation of the district is a program essential to accomplish the purposes of Section 52-a, Article III, Texas Constitution, and other public purposes stated in this chapter. (Loc. Gov. Code, Secs. 384.022(a), (b), (d), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.004. DISTRICT TERRITORY. (a) The district includes all of the territory of Chambers County that is east of the center line of the Trinity River and north of the center line of the Gulf Intracoastal Waterway, other than property located inside the municipal boundaries of an incorporated municipality as of January 1, 1999, as that territory may have been modified under:

(1) Section 3001.116, or its predecessor statute, former Section 384.052, Local Government Code; or

(2) other law.

(b) The boundaries of the district form a closure. A mistake in the description of the boundaries or in copying the description 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

(4) legality or operation. (Loc. Gov. Code, Secs. 384.023, 384.024, as added Acts 76th Leg., R.S., Ch. 1578; New.)

Sec. 3001.005. APPLICABILITY OF AND RELATION TO OTHER

LAW. (a) Chapter 49, Water Code, does not apply to the district.

(b) The district's authority under this chapter is not intended to duplicate the authority granted to the Chambers-Liberty Counties Navigation District or to limit the authority or jurisdiction of the navigation district. To the extent the laws of this chapter conflict with the laws of that navigation district, the laws of the navigation district control over this chapter. (Loc. Gov. Code, Secs. 384.022(c), 384.046(c), as added Acts 76th Leg., R.S., Ch. 1578.)

[Sections 3001.006-3001.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3001.051. BOARD OF DIRECTORS. (a) The district is governed by a board of nine directors.

(b) The board by resolution may increase or decrease the number of directors on the board if the board determines that to do so is in the best interest of the district. The board may not have more than 15 directors. (Loc. Gov. Code, Sec. 384.081(a), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.052. QUALIFICATIONS. (a) To serve as a director, a person must be at least 18 years old and:

(1) reside in the district;

(2) own property in the district; or

(3) be an agent, employee, or tenant of a person who owns property in the district.

(b) At least five directors must reside in or own property in Chambers County. (Loc. Gov. Code, Sec. 384.081(b) (part), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.053. TERMS. The county commissioners court shall appoint the directors to serve staggered four-year terms with as near as possible to one-half of the directors' terms expiring on June 1 of each odd-numbered year. (Loc. Gov. Code, Sec. 384.081(b) (part), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.054. DIRECTOR'S BOND. (a) As soon as practicable after a director is appointed, the director shall execute a $10,000 bond payable to the district and conditioned on the faithful performance of the director's duties.

(b) Each director's bond must be approved by the board.

(c) The bond shall be filed with and retained by the district. (Loc. Gov. Code, Sec. 384.088, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.055. REMOVAL; VACANCY. (a) The county commissioners court may remove a director for misconduct or failure to carry out the director's duties on petition by a majority of the other directors and after notice and hearing.

(b) If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term. (Loc. Gov. Code, Sec. 384.082, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.056. OFFICERS. (a) The board shall elect from its directors a president, vice president, and secretary.

(b) The board by rule may provide for the election of other officers. (Loc. Gov. Code, Sec. 384.081(c), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.057. MEETINGS. The board shall meet at least

once every three months and at the call of the presiding officer or a majority of the directors. (Loc. Gov. Code, Sec. 384.083, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.058. COMPENSATION; REIMBURSEMENT. A director serves without compensation but shall be reimbursed for a reasonable and necessary expense incurred in performing an official duty. (Loc. Gov. Code, Sec. 384.087, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.059. CONFLICT OF INTEREST; DISCLOSURE REQUIRED. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have similar interests in the same entity; or

(2) all similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is an officer or employee of a public

entity may not participate in a discussion of or vote on a matter regarding a contract with the public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 384.089, as added Acts 76th Leg., R.S., Ch. 1578.)

[Sections 3001.060-3001.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3001.101. GENERAL POWERS AND DUTIES. (a) The district has the powers and duties that are necessary or desirable to carry out a power or duty expressly or implicitly granted under this chapter.

(b) The district may perform acts necessary to perform the purposes of this chapter. (Loc. Gov. Code, Secs. 384.041(a), (b), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.102. LIMITATION ON DISTRICT POWERS. The district may not exercise a power unless it furthers the purposes of this chapter. (Loc. Gov. Code, Sec. 384.055, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.103. EXERCISE OF POWERS OUTSIDE DISTRICT. The district may exercise any of its powers outside the district territory if the board determines that there is a benefit to the district in exercising that power. (Loc. Gov. Code, Sec. 384.053, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.104. IMPOSITION OF AD VALOREM TAX PROHIBITED. The district may not impose an ad valorem tax. (Loc.

Gov. Code, Sec. 384.041(c), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.105. RULEMAKING. The board may adopt rules:

(1) necessary or convenient to carry out district powers and duties;

(2) to govern its affairs;

(3) to preserve the public health and welfare concerning the agricultural products submitted to the district for harvesting, processing, distributing, or transporting; and

(4) to establish a priority on the use of district property and services, including the payment of fees. (Loc. Gov. Code, Sec. 384.084, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.106. EXECUTIVE DIRECTOR; EMPLOYEES. The board may employ:

(1) an executive director to manage the district's daily operations; and

(2) other persons necessary to carry out the district's duties. (Loc. Gov. Code, Sec. 384.086, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.107. ECONOMIC DEVELOPMENT. (a) The district may encourage state economic development as provided by this chapter, including making a loan or grant of public money for the purposes of this chapter.

(b) The district may encourage the economic development of the district by:

(1) fostering the growth of enterprises based on certain types of agriculture;

(2) stimulating innovation in certain agricultural enterprises;

(3) seeking to eliminate unemployment or underemployment in the state; and

(4) developing or expanding transportation resources. (Loc. Gov. Code, Sec. 384.042, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.108. AGRICULTURAL DEVELOPMENT. The district may:

(1) promote all agricultural enterprises, facilities, and services of the district; and

(2) encourage the maintenance and conservation of soil in the district. (Loc. Gov. Code, Sec. 384.043, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.109. SUGAR MILL OR OTHER ENTERPRISE. (a) The district may design, construct, and operate a sugar mill or other agricultural enterprise.

(b) The district may acquire property necessary for a sugar mill or other agricultural enterprise, including vehicles, farm equipment, other machinery, and related facilities for harvesting, processing, storing, distributing, and transporting sugar cane or other agricultural products or by-products. (Loc. Gov. Code, Sec. 384.044, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.110. DESIGNATION OF AGRICULTURAL PROJECTS. (a) The district may designate as an agricultural project a project that relates to:

(1) the development of agriculture in the district and

surrounding areas; and

(2) the preservation and conservation of the soil in the district for agricultural purposes.

(b) A project designated under Subsection (a) is for a public purpose.

(c) The cost of a project, including interest during construction and the cost of issuing obligations, may be paid from any source.

(d) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code. (Loc. Gov. Code, Sec. 384.045, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.111. AGRICULTURAL RESEARCH. The district may conduct or pay for research for agricultural purposes. (Loc. Gov. Code, Sec. 384.050, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.112. TRANSPORTATION. The district may encourage the transportation and distribution of the district's agricultural products through the development and operation of transportation structures necessary to further the purposes of this chapter, including railroads and private roads. (Loc. Gov. Code, Sec. 384.046(a), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.113. RELATIONSHIP WITH NAVIGATION DISTRICT. The district may cooperate and contract with the Chambers-Liberty Counties Navigation District on any area of mutual interest. (Loc. Gov. Code, Sec. 384.046(b), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.114. ACQUISITION OR DISPOSITION OF

PROPERTY. The district may acquire or dispose of property in any manner, including by:

(1) conveyance;

(2) mortgage; or

(3) lease, as lessor or lessee. (Loc. Gov. Code, Sec. 384.048, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.115. EMINENT DOMAIN. The district may not exercise the power of eminent domain. (Loc. Gov. Code, Sec. 384.049, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.116. ANNEXATION AND EXCLUSION OF TERRITORY. (a) The district may annex land as provided by Section 49.301 or 49.302, Water Code, except that the references in those sections related to taxes do not apply. As provided by those sections, the district may annex land that is not adjacent or contiguous to the district.

(b) The board may call on its own motion a hearing on the question of the exclusion of land from the district as provided by Section 49.304 or 49.307, Water Code, if:

(1) the district does not have outstanding obligations; and

(2) the proposed exclusion is practicable, just, or desirable.

(c) The board shall call a hearing on the exclusion of land or other property from the district as provided by Section 49.304 or 49.307, Water Code, if a property owner in the district files with the board secretary a written petition requesting the hearing before the issuance of an obligation. (Loc. Gov. Code, Sec.

384.052, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.117. AGREEMENTS. (a) The district may:

(1) enter into an agreement with any person for any district purpose, including an agreement:

(A) to operate or maintain an agricultural enterprise under Sections 3001.108 and 3001.109; or

(B) with a municipality or county to provide law enforcement service in the district on a fee basis; and

(2) accept a loan from any person.

(b) The district, county, and any other political subdivision, without further authorization, may contract to implement a project or assist the district in providing a service authorized by this chapter. A contract under this subsection may provide:

(1) for payment from a district assessment or other revenue; or

(2) that an assessment or other revenue collected from a project, or from a person using or purchasing a commodity or service from a project, may be paid or rebated to the district. (Loc. Gov. Code, Sec. 384.047(a) (part), (b), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.118. DONATIONS; GRANTS. The district may accept a donation or grant from any person. (Loc. Gov. Code, Sec. 384.047(a) (part), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.119. HEARINGS. (a) The board may conduct hearings and take evidence on any matter before the board.

(b) The board may appoint a hearings examiner to conduct a

hearing called by the board. The hearings examiner may be a district employee or director. (Loc. Gov. Code, Sec. 384.085, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.120. SUITS. (a) The district may sue and be sued.

(b) In a suit against the district, process may be served on a director or registered agent.

(c) The district may not be required to give a bond on an appeal or writ of error in a civil case that the district is prosecuting or defending. (Loc. Gov. Code, Secs. 384.051(a), (b), (c), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.121. INDEMNIFICATION. The district may indemnify a director or district employee or a former director or district employee for reasonable expenses and costs, including attorney's fees, incurred by the person in connection with a claim or charge asserted against the person if:

(1) the claim or charge relates to an act or omission of the person when acting in the scope of the person's board membership or district employment; and

(2) the person has not been found liable on the claim or guilty on the charge. (Loc. Gov. Code, Sec. 384.051(d), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.122. OFFICIAL SEAL. The district may adopt an official seal for the district. (Loc. Gov. Code, Sec. 384.054, as added Acts 76th Leg., R.S., Ch. 1578.)

[Sections 3001.123-3001.150 reserved for expansion]

SUBCHAPTER D. FINANCES AND OBLIGATIONS

Sec. 3001.151. POWERS AND DUTIES RELATED TO FINANCES. (a) The district may:

(1) acquire and dispose of money;

(2) impose a charge for using a facility or a service the district provides;

(3) issue an obligation as provided by this subchapter;

(4) borrow money;

(5) loan money;

(6) invest money under its control in an investment permitted by Chapter 2256, Government Code;

(7) select a depository;

(8) establish a system of accounts for the district; and

(9) set the fiscal year for the district.

(b) The district shall endeavor to raise revenue sufficient to pay the district's debts.

(c) The board by rule shall establish the procedure and number of directors' signatures required to disburse or transfer district money. (Loc. Gov. Code, Sec. 384.101, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.152. OBLIGATIONS. (a) The district may issue any type of obligation for any district purpose. An obligation may be issued under Chapter 1371, Government Code.

(b) When authorizing the issuance of an obligation, the district may also authorize the later issuance of a parity or subordinate lien obligation.

(c) A district obligation must:

(1) mature not later than the 40th anniversary of the date of issuance; and

(2) state on its face that the obligation is not a state obligation.

(d) A district obligation may be payable from or secured by:

(1) any source of money, including district revenue, loans, or assessments; or

(2) a lien, pledge, mortgage, or other security interest on district revenue or property.

(e) The district may use obligation proceeds for any purpose, including to pay:

(1) into a reserve fund for debt service;

(2) for the repair or replacement of property, including buildings and equipment;

(3) interest on obligations; or

(4) for the operation of a sugar mill or other agricultural enterprise.

(f) The district may contract with an obligation holder to impose an assessment to pay for the operation of a sugar mill or other agricultural enterprise. (Loc. Gov. Code, Sec. 384.102, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.153. APPROVAL OF ASSESSMENT OBLIGATIONS. An obligation secured by an assessment may not be issued unless the district receives a written petition requesting the assessment and issuance of obligations. The petition must be signed by each owner of the property proposed for assessment. (Loc. Gov. Code, Sec.

384.103, as added Acts 76th Leg., R.S., Ch. 1578.)

[Sections 3001.154-3001.200 reserved for expansion]

SUBCHAPTER E. ASSESSMENTS

Sec. 3001.201. GENERAL POWERS RELATED TO ASSESSMENTS. (a) The board may impose an assessment:

(1) for a district expense;

(2) to finance a project or district service; or

(3) for any other purpose authorized by this chapter.

(b) Money derived from an assessment for one purpose may not be borrowed for use for another purpose for which an assessment is imposed.

(c) The board shall establish a procedure for the distribution or use of money derived from an assessment that exceeds the amount of money necessary to accomplish the purpose for which the assessment was collected. (Loc. Gov. Code, Sec. 384.111, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.202. AREA TO BE ASSESSED; LIMITATIONS. (a) The board may impose an assessment only on property included in a petition for assessment.

(b) The owner of an improvement constructed in the district, or of land annexed to the district, after the district imposed an assessment may waive the right to notice and an assessment hearing and may agree to the imposition of the assessment on the improvement or land and payment of the assessment at an agreed rate.

(c) The district may not impose an assessment on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public. (Loc. Gov. Code, Sec.

384.112, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.203. HEARING AND PETITION REQUIRED. The board may impose an assessment only if:

(1) a written petition has been filed with the board that:

(A) requests the assessment;

(B) states the specific purpose of the assessment; and

(C) is signed by each owner of the property to be assessed;

(2) two-thirds of the board votes to impose the assessment;

(3) the board provides notice of a hearing on the proposal under Section 3001.209; and

(4) the board holds a hearing on the advisability of the assessment under Section 3001.210. (Loc. Gov. Code, Sec. 384.113, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.204. APPORTIONMENT OF COSTS. (a) The board shall apportion the cost of an assessment to property according to the special benefits accruing to the property because of the project or service to be financed by the assessment. The cost may be assessed:

(1) equally by front foot or by square foot of land area;

(2) equally by acreage of land;

(3) according to the value of the property as determined by the board; or

(4) according to any other reasonable assessment plan that imposes a fair share of the cost on property similarly benefited.

(b) In making the determination under Subsection (a)(3), the board may consider the value of a structure or improvement on the property. (Loc. Gov. Code, Sec. 384.114, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.205. ASSESSMENT TO FINANCE PROJECT OR SERVICE. (a) If the board determines the total cost of an assessment to finance a project or service, the board shall impose the assessment against each parcel of land against which an assessment may be imposed in the district.

(b) The board may impose an annual assessment for a service. The amount of an annual service assessment may vary from year to year, but may not be higher than the initial assessment. (Loc. Gov. Code, Sec. 384.115, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.206. ASSESSMENT ROLL. (a) The board shall prepare and maintain an assessment roll showing:

(1) the assessment against each property; and

(2) the board's basis for the assessment.

(b) The board shall allow the public to inspect the assessment roll. (Loc. Gov. Code, Sec. 384.116, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.207. ASSESSMENT AS LIEN. (a) An assessment, including an assessment resulting from an addition or correction to the assessment roll, penalties and interest on an assessment, an assessment collection expense, and reasonable attorney's fees

incurred by the district in collecting an assessment are:

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

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

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

(b) The lien is effective from the date of the order imposing the assessment until the date the assessment is paid. (Loc. Gov. Code, Sec. 384.117, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.208. CORRECTION OF MISTAKE. After notice and hearing in the manner required for an original assessment, the board may impose an assessment to correct a mistake in the assessment that:

(1) relates to the total cost of the assessment; or

(2) covers a delinquency or collection costs. (Loc. Gov. Code, Sec. 384.118, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.209. NOTICE OF HEARING ON PROPOSED ASSESSMENT. (a) The board shall provide notice of a hearing for a proposed assessment in a newspaper with general circulation in Chambers County. The publication must be made not later than the 30th day before the date of the hearing.

(b) The notice must include the:

(1) time and place of the hearing;

(2) purpose for the proposed assessment;

(3) estimated cost of the purpose for which the assessment is proposed, including interest during construction and associated financing costs; and

(4) proposed assessment method.

(c) Not later than the 30th day before the date of the hearing, the board shall mail written notice containing the information required by Subsection (b) to each property owner in the district that will be subject to the assessment at the current address of the owner of the property to be assessed, as reflected on the tax rolls. (Loc. Gov. Code, Sec. 384.119, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.210. CONDUCT OF HEARING; FINDINGS. (a) The board or hearings examiner shall hear and rule on all objections to a proposed assessment.

(b) A hearing on a proposed assessment may be adjourned from time to time.

(c) The board or hearings examiner shall make findings relating to the:

(1) advisability of the assessment, including the purpose of the assessment;

(2) estimated cost of the assessment;

(3) area benefited by the assessment;

(4) method of assessment; and

(5) method and time for payment of the assessment.

(d) If a hearings examiner conducts the hearing, the examiner shall file with the board a report on the examiner's

findings under Subsection (c). (Loc. Gov. Code, Secs. 384.120(a), (b), (c), (d), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.211. BOARD ORDER IMPOSING ASSESSMENT. (a) After receiving or issuing the findings required by Section 3001.210(c), the board by order:

(1) shall:

(A) impose the assessment as a special assessment on the property; and

(B) specify the method of payment on the assessment; and

(2) may:

(A) amend a proposed assessment for any parcel;

(B) require an assessment to be paid in periodic installments, including interest;

(C) require an interest charge or penalty for a failure to make timely payment; or

(D) charge an amount to cover a delinquency or collection expense.

(b) If the board orders that an assessment may be paid in periodic installments, the installments must:

(1) be in amounts sufficient to meet the annual costs of the project or service for which the assessment is imposed; and

(2) continue for the number of years required to retire the indebtedness or pay for the project or service for which the assessment is imposed. (Loc. Gov. Code, Secs. 384.120(e), (f), as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.212. REHEARING. A motion for rehearing is

subject to Section 2001.146, Government Code, except that the property owner must file the motion for rehearing not later than the 30th day after the date on which the assessment order is issued. (Loc. Gov. Code, Sec. 384.121, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.213. NOTICE OF ASSESSMENT. Not later than the 30th day after the date on which an assessment order is issued, the district shall file a notice of the assessment in the deed records of the county in which the property to be assessed is located. The notice must:

(1) provide a legal description of the property subject to the assessment;

(2) state the name of the owner of the property subject to the assessment; and

(3) describe how to contact the district for further information about the assessment. (Loc. Gov. Code, Sec. 384.122, as added Acts 76th Leg., R.S., Ch. 1578.)

Sec. 3001.214. APPEAL TO COURT. (a) A property owner against whom an assessment is imposed may appeal the assessment to a district court in the county in which the property is located in the manner provided for the appeal of a contested case under Chapter 2001, Government Code.

(b) The owner must file the notice of appeal with the court not later than the 30th day after the date the board decision becomes final.

(c) The court shall review the appeal by trial de novo. (Loc. Gov. Code, Sec. 384.123, as added Acts 76th Leg., R.S., Ch.

1578.)

Sec. 3001.215. NEW ASSESSMENT AFTER INVALID PRIOR ASSESSMENT. If the board determines or a court holds that an assessment is invalid, the board may impose a new assessment in accordance with the procedures provided by this subchapter. (Loc. Gov. Code, Sec. 384.124, as added Acts 76th Leg., R.S., Ch. 1578.)

[Sections 3001.216-3001.250 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3001.251. DISSOLUTION. The board may dissolve the district if all district debts and obligations have been discharged. (Loc. Gov. Code, Sec. 384.141, as added Acts 76th Leg., R.S., Ch. 1578.)

[Chapters 3002-3500 reserved for expansion]

SUBTITLE B. DEFENSE BASE DEVELOPMENT

CHAPTER 3501. LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3501.001. DEFINITIONS

Sec. 3501.002. AUTHORITY TERRITORY

Sec. 3501.003. PURPOSE AND NATURE OF AUTHORITY

Sec. 3501.004. EXEMPTION FROM TAXATION

[Sections 3501.005-3501.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3501.051. COMPOSITION OF BOARD

Sec. 3501.052. TERM; VACANCIES

Sec. 3501.053. OFFICERS

Sec. 3501.054. EMPLOYEES

Sec. 3501.055. RULES FOR PROCEEDINGS

[Sections 3501.056-3501.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3501.101. AUTHORITY OF BOARD

Sec. 3501.102. GENERAL POWERS AND DUTIES

Sec. 3501.103. UTILITIES

Sec. 3501.104. SECURITY FOR COSTS OR BOND NOT REQUIRED

[Sections 3501.105-3501.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

Sec. 3501.151. LEGISLATIVE INTENT

Sec. 3501.152. DUTY TO DISSOLVE

CHAPTER 3501. LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3501.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Lubbock Reese Redevelopment Authority.

(2) "Base property" means land described by Section 3501.002(a), including any property used in connection with or comprising the former Reese Air Force Base.

(3) "Board" means the board of directors of the authority. (Loc. Gov. Code, Secs. 396.001(1), (2), (3), 396.010 (part).)

Sec. 3501.002. AUTHORITY TERRITORY. (a) The authority's territory is that described by Section 13.10, Chapter 62, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 396.009, Local Government Code, and includes all other real property, related interests, including fee interests, perpetual and other easements, licenses, leases, and any other property used

in connection with or comprising Reese Air Force Base and as may be shown by instruments recorded in the real property records of Lubbock and Terry counties.

(b) The authority's territory does not include property conveyed by the United States before June 17, 1997, as shown by instruments recorded in the real property records of Lubbock and Terry counties. (Loc. Gov. Code, Secs. 396.002 (part), 396.010 (part).)

Sec. 3501.003. PURPOSE AND NATURE OF AUTHORITY. (a) The purpose of the authority is to undertake projects necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new and existing businesses on the property, now or formerly known as Reese Air Force Base, described in Section 3501.002(a), including the acquisition, construction, operation, maintenance, enhancement, or disposal of:

(1) roads, bridges, and rights-of-way;

(2) housing;

(3) property;

(4) police, fire, medical, cultural, educational, and research services, equipment, institutions, and resources;

(5) other community support services;

(6) flood control, water, wastewater treatment, and all other utility facilities; and

(7) other infrastructure improvements.

(b) The authority is a political subdivision of this state that exercises public and essential governmental functions.

(c) The exercise of a power this chapter grants is for a

public purpose and is a matter of public necessity.

(d) The authority is a governmental unit under Chapter 101, Civil Practice and Remedies Code. The operations of the authority are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code. (Loc. Gov. Code, Secs. 396.001(6), 396.002 (part), 396.004(b), (c), (d), (e).)

Sec. 3501.004. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority are exempt from a tax imposed by the state or a political subdivision of the state. (Loc. Gov. Code, Sec. 396.006.)

[Sections 3501.005-3501.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3501.051. COMPOSITION OF BOARD. The board is composed of:

(1) seven directors appointed by the governing body of the City of Lubbock;

(2) one director appointed by the commissioners court of Lubbock County; and

(3) one director appointed by the South Plains Association of Governments. (Loc. Gov. Code, Secs. 396.003(a) (part), (b).)

Sec. 3501.052. TERM; VACANCIES. (a) A director serves a term of four years. A director appointed to fill a vacancy for an unexpired term shall serve for the remainder of that term only.

(b) A vacancy on the board is filled in the same manner as the original appointment.

(c) A director may be appointed as the director's own successor for not more than one term. (Loc. Gov. Code, Secs. 396.003(c), (d).)

Sec. 3501.053. OFFICERS. (a) The board shall elect from its membership a president and a vice president.

(b) The vice president shall preside in the absence of the president. (Loc. Gov. Code, Sec. 396.003(e).)

Sec. 3501.054. EMPLOYEES. The board may employ and compensate persons to carry out the powers and duties of the authority. (Loc. Gov. Code, Sec. 396.003(f) (part).)

Sec. 3501.055. RULES FOR PROCEEDINGS. The board shall adopt rules for its proceedings. (Loc. Gov. Code, Sec. 396.003(f) (part).)

[Sections 3501.056-3501.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3501.101. AUTHORITY OF BOARD. The board shall manage, control, and operate the authority. (Loc. Gov. Code, Sec. 396.003(a) (part).)

Sec. 3501.102. GENERAL POWERS AND DUTIES. (a) The authority may accept title, on approval by and in coordination with the governor, from the United States to all or any portion of the base property.

(b) The authority may exercise, on approval by and in coordination with the governor, any power necessary or convenient to accomplish a purpose of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, own, and dispose of its revenue, income, receipts, and money from any source;

(5) select its depository;

(6) establish its fiscal year;

(7) adopt an annual operating budget for all major expenditures before the beginning of the fiscal year;

(8) establish a system of accounts for the authority;

(9) invest its money in accordance with Chapter 2256, Government Code;

(10) acquire, hold, own, use, rent, lease, or dispose of any property, including a license, patent, right, right-of-way, easement, and other interest in property, by purchase, exchange, gift, assignment, condemnation, lease, sale, or any other means, to perform a duty or to exercise a power under this chapter;

(11) manage, operate, or improve that property, to perform a duty or to exercise a power under this chapter;

(12) sell, assign, lease, encumber, mortgage, or otherwise dispose of any base property, or any interest in that property, release or relinquish any right, title, claim, lien, interest, easement, or demand, however acquired, and, notwithstanding any other law, conduct any transaction authorized by this subdivision by public or private sale;

(13) lease or rent any land, buildings, structures, or facilities located on the base property to any person to accomplish

the purposes of this chapter;

(14) request and accept any appropriation, grant, allocation, subsidy, guarantee, aid, service, labor, material, gift, or money from any source, including the federal government, the state, a public agency, and a political subdivision;

(15) maintain an office;

(16) appoint and determine the duties, tenure, qualifications, compensation, and removal of officers, employees, agents, professional advisors, and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as considered necessary or advisable by the board;

(17) borrow money as necessary to acquire, improve, or operate a facility on the base property, not to exceed the amount determined by the governing body of the City of Lubbock;

(18) establish, impose, and collect rents, rates, fees, and charges for its facilities and services; and

(19) exercise the powers Chapter 380, Local Government Code, grants to a municipality for expansion of economic development and commercial activity. (Loc. Gov. Code, Secs. 396.004(a), 396.005(a) (part).)

Sec. 3501.103. UTILITIES. (a) As may be necessary and appropriate to accomplish the purposes for which the authority was established, the authority may exercise those powers granted to general law districts by Chapter 49, Water Code, and granted to municipal utility districts by Chapter 54, Water Code, may provide all other utility services that may be provided by an electric, gas,

or water utility on an immediate basis without the need for state regulatory approval, and without restriction, may delegate those powers and the provision of those services to a neighboring municipality, a municipally owned utility, a cooperative corporation, or other utility provider.

(b) The authority shall continue to be served by the provider, as of September 1, 1999, of electricity and related services to the authority until the authority delegates the provision of electric services under Subsection (a).

(c) A delegation under Subsection (a) of a power related to electric service and the provision of electric services may be made only to an electric utility provider that agrees to upgrade the electrical system infrastructure so that the authority can accomplish its purpose. The authority shall determine the criteria to be used for determining the level of infrastructure improvements necessary to encourage the expansion of economic development and commercial activity. The authority may delegate the provision of electric services without state regulatory approval.

(d) The authority may contract to convey the property related to the supply and distribution of electrical power in the authority's territory to an electric utility provider that requires the conveyance as a condition of making an upgrade prescribed by Subsection (c). (Loc. Gov. Code, Secs. 396.005(a) (part), (c).)

Sec. 3501.104. SECURITY FOR COSTS OR BOND NOT REQUIRED. In a suit, the authority may not be required to give security for costs or a supersedeas or cost bond in an appeal from a judgment. (Loc. Gov. Code, Sec. 396.005(b).)

[Sections 3501.105-3501.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

Sec. 3501.151. LEGISLATIVE INTENT. The legislature intends that the authority be dissolved after conveyance and sale of all of the base property. (Loc. Gov. Code, Sec. 396.007(b).)

Sec. 3501.152. DUTY TO DISSOLVE. (a) The authority shall be dissolved on approval of the City of Lubbock and Lubbock County:

(1) when all the functions of the authority are performed and completed; and

(2) after all debts or obligations have been satisfied or retired with the assets of the authority.

(b) On dissolution, any remaining assets of the authority shall be conveyed or transferred to the City of Lubbock and Lubbock County in proportion to any initial contribution of money made. (Loc. Gov. Code, Secs. 396.007(a), (c).)

CHAPTER 3502. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3502.001. DEFINITIONS

Sec. 3502.002. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY

Sec. 3502.003. AUTHORITY TERRITORY

Sec. 3502.004. EXEMPTION FROM TAXATION

[Sections 3502.005-3502.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3502.051. COMPOSITION OF BOARD

Sec. 3502.052. TERM

Sec. 3502.053. VACANCIES

Sec. 3502.054. OFFICERS

Sec. 3502.055. EMPLOYEES

[Sections 3502.056-3502.100 reserved for expansion]

SUBCHAPTER C. AUTHORITY POWERS AND DUTIES

Sec. 3502.101. AUTHORITY OF BOARD

Sec. 3502.102. GENERAL POWERS

Sec. 3502.103. RECEIPT OF PROPERTY

Sec. 3502.104. USE OF PROPERTY

Sec. 3502.105. AWARDING OF CONTRACTS

[Sections 3502.106-3502.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

Sec. 3502.151. LEGISLATIVE INTENT

Sec. 3502.152. POWER TO DISSOLVE

CHAPTER 3502. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3502.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Westworth Village-White Settlement Redevelopment Authority.

(2) "Board" means the board of directors of the authority. (Loc. Gov. Code, Sec. 396.031.)

Sec. 3502.002. WESTWORTH VILLAGE-WHITE SETTLEMENT REDEVELOPMENT AUTHORITY. The authority is established as a political subdivision of this state if Westworth Village and White Settlement each:

(1) adopt a resolution authorizing the authority's

establishment; and

(2) appoint three members to the board. (Loc. Gov. Code, Sec. 396.032 (part).)

Sec. 3502.003. AUTHORITY TERRITORY. The boundaries of the authority territory are the boundaries of Westworth Village and White Settlement. (Loc. Gov. Code, Sec. 396.032 (part).)

Sec. 3502.004. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority are exempt from all taxes imposed by the state or a political subdivision of the state. (Loc. Gov. Code, Sec. 396.036.)

[Sections 3502.005-3502.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3502.051. COMPOSITION OF BOARD. The board consists of six directors. The governing body of each municipality in the authority shall appoint three directors. (Loc. Gov. Code, Secs. 396.033(a) (part), (b).)

Sec. 3502.052. TERM. A director serves a two-year term. (Loc. Gov. Code, Sec. 396.033(c).)

Sec. 3502.053. VACANCIES. A vacancy on the board is filled for the unexpired term in the manner provided for the original appointment. (Loc. Gov. Code, Sec. 396.033(e).)

Sec. 3502.054. OFFICERS. (a) The board shall select from its membership a presiding officer and an assistant presiding officer.

(b) The assistant presiding officer presides in the absence of the presiding officer.

(c) The board shall select a secretary-treasurer. The

secretary-treasurer is not required to be a director. (Loc. Gov. Code, Sec. 396.033(d).)

Sec. 3502.055. EMPLOYEES. The board may employ all persons necessary to carry out the functions of the authority. (Loc. Gov. Code, Sec. 396.033(f).)

[Sections 3502.056-3502.100 reserved for expansion]

SUBCHAPTER C. AUTHORITY POWERS AND DUTIES

Sec. 3502.101. AUTHORITY OF BOARD. The board shall manage, operate, and control the authority. (Loc. Gov. Code, Sec. 396.033(a) (part).)

Sec. 3502.102. GENERAL POWERS. The authority may exercise, on approval by and in coordination with the governor, all powers necessary or appropriate to carry out the purposes of this chapter, including the power to:

(1) sue and be sued, and plead and be impleaded, in its own name;

(2) adopt an official seal;

(3) adopt and enforce bylaws and rules for the conduct of its affairs;

(4) acquire, hold, use, and dispose of its revenue, income, receipts, and money from every source;

(5) select its depository;

(6) acquire, hold, own, lease, rent, or dispose of any property or interest in property, including rights or easements, in performing duties and exercising powers under this chapter by purchase, exchange, gift, assignment, condemnation, sale, lease, or otherwise and to hold, manage, operate, or improve the property;

(7) sell, assign, lease, encumber, mortgage, or otherwise dispose of any property or interest in property, and release or relinquish any right, title, claim, lien, interest, easement, or demand however acquired;

(8) notwithstanding any other law, perform an activity authorized by Subdivision (7) by public or private sale, with or without public bidding;

(9) lease or rent any lands within the property and buildings, structures, or facilities located on the property from or to any person to carry out the purposes of this chapter;

(10) request and accept any appropriation, grant, allocation, subsidy, guaranty, aid, service, labor, material, or gift from any source, including the federal government, this state, a public agency, or a political subdivision;

(11) maintain an office and appoint and determine the duties, tenure, qualifications, and compensation of officers, employees, agents, and professional advisors and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as the board considers necessary or advisable;

(12) borrow money;

(13) establish, impose, and collect rents, rates, fees, and charges for its facilities and services;

(14) acquire land or any interest in land within the boundaries of the authority by condemnation in the manner provided by Chapter 21, Property Code, subject to the approval of each municipality in the authority; and

(15) exercise the powers in Chapters 373 and 380, Local Government Code, granted to a municipality for the development of housing and expansion of economic development and commercial activity. (Loc. Gov. Code, Sec. 396.035.)

Sec. 3502.103. RECEIPT OF PROPERTY. The authority shall accept title, on approval by and in coordination with the governor, from the United States to all or any portion of the real property situated:

(1) within the boundaries of the authority, together with any improvements located on the property and personal property related to the property, commonly referred to as:

(A) Parcel A - 18 Hole Golf Course;

(B) Parcel B - Wherry Housing Area;

(C) Parcel C - Kings Branch Housing Area;

(D) Parcel D - Stables Area and Vacant Land;

(E) Parcel E - 5 acres;

(F) Parcel F - 18 acres; and

(G) Parcel H - Firing Range; and

(2) outside the boundaries of the authority within an unincorporated area in Tarrant County, together with any improvements located on the property and personal property related to the property, commonly referred to as Parcel G - Weapons Storage Area. (Loc. Gov. Code, Sec. 396.034(a) (part).)

Sec. 3502.104. USE OF PROPERTY. (a) The authority shall use the property described by Section 3502.103 and all assistance available for the property from the United States and all other sources to replace and enhance the economic benefits generated for

the property by Carswell Air Force Base with diversified activity, including planned land uses to foster:

(1) creation of new jobs;

(2) economic development;

(3) industry;

(4) commerce;

(5) manufacturing;

(6) housing;

(7) recreation; and

(8) the construction, operation, and maintenance of facilities, improvements, and infrastructures on the property.

(b) The governing body of Fort Worth must consent in writing before any use or development of land within the property commonly referred to as Parcel G may be undertaken. (Loc. Gov. Code, Secs. 396.034(a) (part), (b).)

Sec. 3502.105. AWARDING OF CONTRACTS. (a) The board may adopt rules governing the receiving of bids and the awarding of contracts.

(b) A contract in the amount of more than $15,000 for the construction of improvements or the purchase of material, machinery, equipment, supplies, or any other property, other than real property, may only be awarded on competitive bids received by the authority.

(c) Notice must be published in a newspaper of general circulation in the authority not later than the 16th day before the date set for receiving bids for a contract described by Subsection (b).

(d) This section does not apply to:

(1) personal or professional services; or

(2) the acquisition or sale of the property. (Loc. Gov. Code, Sec. 396.037.)

[Sections 3502.106-3502.150 reserved for expansion]

SUBCHAPTER D. DISSOLUTION

Sec. 3502.151. LEGISLATIVE INTENT. The legislature intends that the authority be dissolved after conveyance and sale of all of the property described by Section 3502.103. (Loc. Gov. Code, Sec. 396.038(a) (part).)

Sec. 3502.152. POWER TO DISSOLVE. (a) The board may dissolve the authority if:

(1) each municipality in the authority approves the dissolution; and

(2) all debts or obligations have been satisfied or retired.

(b) Any assets of the authority remaining after all debts or obligations have been satisfied shall be conveyed or transferred to the municipalities in the authority as approved by the board. (Loc. Gov. Code, Secs. 396.038(a) (part), (b).)

[Chapters 3503-3800 reserved for expansion]

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3801. HOUSTON DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3801.001. DEFINITIONS

Sec. 3801.002. HOUSTON DOWNTOWN MANAGEMENT DISTRICT

Sec. 3801.003. PURPOSE; DECLARATION OF INTENT

Sec. 3801.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3801.005. DISTRICT TERRITORY

Sec. 3801.006. ELIGIBILITY FOR REINVESTMENT ZONES

Sec. 3801.007. APPLICABILITY OF OTHER LAW

Sec. 3801.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3801.009-3801.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3801.051. BOARD OF DIRECTORS; TERMS

Sec. 3801.052. APPOINTMENT OF DIRECTORS

Sec. 3801.053. EX OFFICIO DIRECTORS

[Sections 3801.054-3801.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3801.101. DISTRICT POWERS

Sec. 3801.102. RELATION TO OTHER LAW

Sec. 3801.103. NONPROFIT CORPORATION

Sec. 3801.104. CONTRACTS; GRANTS

Sec. 3801.105. COMPETITIVE BIDDING

Sec. 3801.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS

[Sections 3801.107-3801.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3801.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3801.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3801.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3801.154. MAINTENANCE TAX

Sec. 3801.155. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3801.156. PROHIBITED EXEMPTIONS

Sec. 3801.157. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3801.158. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3801.159. SALES AND USE TAX PROHIBITED

[Sections 3801.160-3801.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3801.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3801. HOUSTON DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3801.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Houston Downtown Management District. (Loc. Gov. Code, Secs. 376.003(1), (3).)

Sec. 3801.002. HOUSTON DOWNTOWN MANAGEMENT DISTRICT. A special district known as the "Houston Downtown Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.001(a).)

Sec. 3801.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a,

Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the downtown area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 28, 1995, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.001(c), 376.002.)

Sec. 3801.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the downtown area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.006.)

Sec. 3801.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.004, Local Government Code, and by Section 1,

Chapter 360, Acts of the 76th Legislature, Regular Session, 1999, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.004, Local Government Code, and in Section 1, Chapter 360, Acts of the 76th Legislature, Regular Session, 1999, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax;

(4) the validity of the enlargement of the district under Section 1, Chapter 360, Acts of the 76th Legislature, Regular Session, 1999; or

(5) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.005; Acts 76th Leg., R.S., Ch. 360, Sec. 2; New.)

Sec. 3801.006. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by the

City of Houston under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code. (Loc. Gov. Code, Sec. 376.028.)

Sec. 3801.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.007.)

Sec. 3801.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.008.)

[Sections 3801.009-3801.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3801.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of 30 directors who serve staggered terms of four years, with seven or eight directors' terms expiring June 1 of each year. (Loc. Gov. Code, Sec. 376.009(a).)

Sec. 3801.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston. (Loc. Gov. Code, Secs. 376.010(a) (part), (b).)

Sec. 3801.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation,

planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston; and

(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint the director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of another nonprofit corporation actively involved in downtown activities in the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.011.)

[Sections 3801.054-3801.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3801.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;

(3) the powers given to a corporation under Section 4B, the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate,

acquire, construct, lease, improve, and maintain projects, other than a domed football stadium, described by that section; and

(4) the powers of a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Sec. 376.012(a) (part).)

Sec. 3801.102. RELATION TO OTHER LAW. This chapter prevails over a law to which Section 3801.101 refers that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.014 (part).)

Sec. 3801.103. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.017.)

Sec. 3801.104. CONTRACTS; GRANTS. (a) To protect the

public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec.

376.026.)

Sec. 3801.105. COMPETITIVE BIDDING. The district may enter into a contract for more than $10,000 for services, improvements, or the purchase of property, including materials, machinery, equipment, and supplies, only as provided by Subchapter K, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.027.)

Sec. 3801.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the approval of the City of Houston of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway. (Loc. Gov. Code, Sec. 376.021.)

[Sections 3801.107-3801.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3801.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.015.)

Sec. 3801.152. 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. (Loc. Gov. Code, Sec. 376.018.)

Sec. 3801.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.012(a) (part).)

Sec. 3801.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3801.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.024.)

Sec. 3801.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or

reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.012(a) (part), 376.020.)

Sec. 3801.156. PROHIBITED EXEMPTIONS. A single-family residential property or a residential duplex, triplex, fourplex, or condominium may not be exempt from the imposition of a tax, an impact fee, or an assessment if the tax, impact fee, or assessment is imposed in accordance with this chapter. (Loc. Gov. Code, Sec. 376.016.)

Sec. 3801.157. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments,

impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district, other than to finance a domed football stadium.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.019(a), (b), (c), (d).)

Sec. 3801.158. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district as determined by the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.022.)

Sec. 3801.159. SALES AND USE TAX PROHIBITED. The district may not impose a sales and use tax. (Loc. Gov. Code, Sec. 376.012(b) (part).)

[Sections 3801.160-3801.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3801.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, if the district has debt. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.025.)

CHAPTER 3802. WESTCHASE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

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Sec. 3802.002. WESTCHASE DISTRICT

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Sec. 3802.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

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[Sections 3802.008-3802.050 reserved for expansion]

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Sec. 3802.051. BOARD OF DIRECTORS; TERMS

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[Sections 3802.054-3802.100 reserved for expansion]

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Sec. 3802.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3802.152. DISBURSEMENTS AND TRANSFERS OF MONEY

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Sec. 3802.154. MAINTENANCE TAX

Sec. 3802.155. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3802.156. TAX AND ASSESSMENT ABATEMENTS

Sec. 3802.157. PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT FEES

Sec. 3802.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3802.159. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3802.160. SALES AND USE TAX PROHIBITED

[Sections 3802.161-3802.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3802.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3802. WESTCHASE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3802.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Westchase District. (Loc. Gov. Code, Secs. 376.043(1), (3).)

Sec. 3802.002. WESTCHASE DISTRICT. A special district in Harris County known as the "Westchase District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.041(a).)

Sec. 3802.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the Westchase area of Harris County.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 28, 1995, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.041(c), 376.042.)

Sec. 3802.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the Westchase area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.046.)

Sec. 3802.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.044, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.044, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect in any way:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.045; New.)

Sec. 3802.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.047.)

Sec. 3802.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the

findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.048.)

[Sections 3802.008-3802.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3802.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of 17 directors who serve staggered terms of four years, with eight or nine directors' terms expiring June 1 of each odd-numbered year. (Loc. Gov. Code, Sec. 376.049(a).)

Sec. 3802.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board.

(b) The mayor and members of the governing body of the City of Houston shall appoint as directors for the positions indicated persons representing the following interests:

(1) positions 1, 11, and 12 must represent owners of multifamily rental housing with at least 200 rental units;

(2) position 2 must be a lessee of office space of at least 30,000 square feet of rentable area;

(3) positions 9 and 10 must represent owners of office facilities with at least 500 employees or a taxable value in excess of $10 million;

(4) positions 8, 13, and 14 must represent owners of multitenant office buildings;

(5) position 15 must represent owners of multitenant retail property or major retail tenants of at least 20,000 square feet;

(6) position 16 must represent owners of temporary

lodging facilities with on-site food service;

(7) position 17 must represent owners of undeveloped property with a contiguous area of at least five acres; and

(8) positions 3, 4, 5, 6, and 7 must represent the district at large and may be filled by any person qualified to serve on the board as provided by Section 375.063, Local Government Code. (Loc. Gov. Code, Sec. 376.050 (part).)

Sec. 3802.053. EX OFFICIO DIRECTORS. The board may appoint nonvoting ex officio directors to serve on the board. (Loc. Gov. Code, Sec. 376.051.)

[Sections 3802.054-3802.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3802.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and

(3) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that section. (Loc. Gov. Code, Sec. 376.052(a) (part).)

Sec. 3802.102. RELATION TO OTHER LAW. This chapter prevails over a law to which Section 3802.101 or 3802.156 refers that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.054 (part).)

Sec. 3802.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing the services authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under other law.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the

period the board determines advisable. (Loc. Gov. Code, Sec. 376.064.)

Sec. 3802.104. COMPETITIVE BIDDING. The district may enter into a contract for more than $10,000 for services, improvements, or the purchase of property, including materials, machinery, equipment, and supplies, only as provided by Subchapter K, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.065.)

Sec. 3802.105. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain the City of Houston's approval of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway. (Loc. Gov. Code, Sec. 376.059.)

[Sections 3802.106-3802.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3802.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of property in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc.

Gov. Code, Sec. 376.055.)

Sec. 3802.152. 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. (Loc. Gov. Code, Sec. 376.056.)

Sec. 3802.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.052(a) (part).)

Sec. 3802.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3802.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.062.)

Sec. 3802.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll

by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.052(a) (part), 376.058(a), (b), (c).)

Sec. 3802.156. TAX AND ASSESSMENT ABATEMENTS. Without additional procedures, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Loc. Gov. Code, Sec. 376.052(a) (part).)

Sec. 3802.157. PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an assessment or impact fee on the property, equipment, or facilities of:

(1) an electric utility, as defined by Section 31.002,

Utilities Code; or

(2) a public utility, as defined by Section 51.002, Utilities Code. (Loc. Gov. Code, Secs. 376.058(d), 376.061(b).)

Sec. 3802.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.057(a), (b), (c), (d).)

Sec. 3802.159. ELECTIONS REGARDING TAXES OR

BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election has been filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 persons who own property in the district, if there are more than 50 persons who own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.060.)

Sec. 3802.160. SALES AND USE TAX PROHIBITED. The district may not impose a sales and use tax. (Loc. Gov. Code, Sec. 376.052(b) (part).)

[Sections 3802.161-3802.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3802.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M,

Chapter 375, Local Government Code, if the district has debt. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.063.)

CHAPTER 3803. GREATER GREENSPOINT MANAGEMENT DISTRICT OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3803.001. DEFINITIONS

Sec. 3803.002. GREATER GREENSPOINT MANAGEMENT DISTRICT OF HARRIS COUNTY

Sec. 3803.003. PURPOSE; DECLARATION OF INTENT

Sec. 3803.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3803.005. DISTRICT TERRITORY

Sec. 3803.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES

Sec. 3803.007. FORECLOSURE OF PREEXISTING TAX LIEN ON PROPERTY OWNED BY DISTRICT PROHIBITED

Sec. 3803.008. RELATION TO OTHER LAW

Sec. 3803.009. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3803.010-3803.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3803.051. BOARD OF DIRECTORS; TERMS

Sec. 3803.052. APPOINTMENT OF DIRECTORS

[Sections 3803.053-3803.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3803.101. DISTRICT POWERS

Sec. 3803.102. NONPROFIT CORPORATION

Sec. 3803.103. CONTRACTS; GRANTS

Sec. 3803.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS

[Sections 3803.105-3803.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3803.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3803.152. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3803.153. MAINTENANCE TAX

Sec. 3803.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3803.155. TAX AND ASSESSMENT ABATEMENTS

Sec. 3803.156. PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT FEES

Sec. 3803.157. OBLIGATIONS

Sec. 3803.158. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3803.159. SALES AND USE TAX PROHIBITED

CHAPTER 3803. GREATER GREENSPOINT MANAGEMENT DISTRICT OF HARRIS COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3803.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Greater Greenspoint

Management District of Harris County. (Loc. Gov. Code, Secs. 376.083(1), (3).)

Sec. 3803.002. GREATER GREENSPOINT MANAGEMENT DISTRICT OF HARRIS COUNTY. A special district known as the "Greater Greenspoint Management District of Harris County" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.081(a).)

Sec. 3803.003. PURPOSE; DECLARATION OF INTENT. (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 to other public purposes stated in this chapter. By creating the district and in authorizing Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, the public welfare, transportation, housing, tourism, convention and convocation activities, recreation, the arts, entertainment, and safety in the greater Greenspoint area of Harris County.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of August 26, 1991, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area.

The district is created to supplement and not to supplant the county or city services in the area in the district. (Loc. Gov. Code, Secs. 376.081(c), 376.082.)

Sec. 3803.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the greater Greenspoint area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for

the restoration, preservation, and enhancement of scenic and aesthetic beauty.

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

(f) 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. (Loc. Gov. Code, Sec. 376.086.)

Sec. 3803.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.084, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 23.04(b), Chapter 165, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.084, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond,

including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.085; New.)

Sec. 3803.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

(1) a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created by the City of Houston under Chapter 312, Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the City of Houston under Chapter 2303, Government Code. (Loc. Gov. Code, Sec. 376.102.)

Sec. 3803.007. FORECLOSURE OF PREEXISTING TAX LIEN ON PROPERTY OWNED BY DISTRICT PROHIBITED. Regardless of the manner in which or the price for which the district obtains title to real property, a political subdivision or taxing authority may not foreclose a tax lien or otherwise pursue unpaid taxes on the property against the district or any successor in title to the district that is a political subdivision of this state if the lien or taxes accrued before the district's ownership of the property. (Loc. Gov. Code, Sec. 376.103.)

Sec. 3803.008. RELATION TO OTHER LAW. This chapter prevails over a law to which this chapter refers that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.091 (part).)

Sec. 3803.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the legislative findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.087.)

[Sections 3803.010-3803.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3803.051. BOARD OF DIRECTORS; TERMS. The district is governed by a board of 22 directors who serve staggered terms of four years, with 11 directors' terms expiring June 1 of each odd-numbered year. (Loc. Gov. Code, Sec. 376.088.)

Sec. 3803.052. APPOINTMENT OF DIRECTORS. Subchapter D, Chapter 375, Local Government Code, governs the appointment and qualification of directors. (Loc. Gov. Code, Sec. 376.089(b).)

[Sections 3803.053-3803.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3803.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, and authority of a district created under Chapter 375, Local Government Code;

(3) the powers given to a corporation created under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including:

(A) the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that Act and this chapter and any other authorized project; and

(B) the power to acquire land and other property in accordance with Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); and

(4) the power to create, tax, assess, and hold elections in a defined area under Chapter 54, Water Code, to provide improvements or services in the defined area for any project or activity the district is authorized to acquire, construct, improve, or provide. (Loc. Gov. Code, Sec. 376.090(a) (part).)

Sec. 3803.102. 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, providing residential housing, or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered for all purposes to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation

Code.

(d) The nonprofit corporation may be dissolved as provided by Chapter 431, Transportation Code, for a corporation created under that chapter. (Loc. Gov. Code, Sec. 376.093.)

Sec. 3803.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with any county or municipality in which all or part of the district is located for the county or municipality to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or to assist the district in providing an authorized service. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for the project or service; and

(4) provide terms under which taxes or other revenue collected at a district project, at a project in a tax increment reinvestment zone, or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; or

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec. 376.100.)

Sec. 3803.104. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. (a) The district may:

(1) join and pay dues to an organization that qualifies for an exemption from federal income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3), 501(c)(4), or 501(c)(6) of that code; and

(2) perform services or provide activities consistent with the furtherance of the purposes of the district.

(b) An expenditure of public money for membership in an organization described by Subsection (a) is considered to further the purposes of the district and to be for a public purpose. (Loc. Gov. Code, Sec. 376.101.)

[Sections 3803.105-3803.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3803.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting the service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own land in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.092.)

Sec. 3803.152. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may, except as provided by Section 3803.156, impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.090(a) (part).)

Sec. 3803.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3803.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; and

(2) provide services to industrial or commercial businesses, residents, or property owners.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.097.)

Sec. 3803.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The district may correct, add to, or delete an assessment from its

assessment rolls and collect an assessment due under the correction, addition, or deletion after notice and hearing in the manner required by Section 375.115, Local Government Code.

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

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

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

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

(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. (Loc. Gov. Code, Secs. 376.090(a) (part), 376.095.)

Sec. 3803.155. TAX AND ASSESSMENT ABATEMENTS. Without further authorization or other procedural requirement, the district may grant, consistent with Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district. (Loc. Gov. Code, Sec. 376.099.)

Sec. 3803.156. PROPERTY EXEMPT FROM ASSESSMENT AND IMPACT

FEES. Because the district is created in an area that is devoted primarily to commercial and business activity, the district may not impose an impact fee or assessment on a single-family residential property or a residential duplex, triplex, fourplex, or condominium. (Loc. Gov. Code, Sec. 376.098.)

Sec. 3803.157. OBLIGATIONS. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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. (Loc. Gov. Code, Sec. 376.094.)

Sec. 3803.158. ELECTIONS REGARDING 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:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election is filed with the board. The petition must be signed by 50 owners of property in the

district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County.

(d) When issuing a bond payable from a defined area under Chapter 54, Water Code, the district must hold the required election only in the defined area and not in the entire district. (Loc. Gov. Code, Sec. 376.096.)

Sec. 3803.159. SALES AND USE TAX PROHIBITED. The district may not impose a sales and use tax. (Loc. Gov. Code, Sec. 376.090(b).)

CHAPTER 3804. FIRST COLONY MANAGEMENT DISTRICT

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Sec. 3804.201. DISSOLUTION OF DISTRICT

CHAPTER 3804. FIRST COLONY MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3804.001. DEFINITIONS. In this chapter:

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

(2) "District" means the First Colony Management District. (Loc. Gov. Code, Secs. 376.113(1), (2).)

Sec. 3804.002. FIRST COLONY MANAGEMENT DISTRICT. A special district known as the "First Colony Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.111(a).)

Sec. 3804.003. PURPOSE; DECLARATION OF INTENT. (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 Fort Bend County, the City of Sugar Land, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the city of Sugar Land.

(c) This chapter and the creation of the district may not be interpreted to relieve Fort Bend County or the City of Sugar Land from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.111(c), 376.112.)

Sec. 3804.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the City of Sugar Land to preserve, maintain, and enhance the economic health and vitality

of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.116.)

Sec. 3804.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 985, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.114, Local Government Code, as that territory may have been modified under:

(1) Section 3804.108 or its predecessor statute, former Section 376.122, Local Government Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 985, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.114, Local Government

Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.115; New.)

Sec. 3804.006. ELIGIBILITY FOR REINVESTMENT 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 by the City of Sugar Land under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created by the City of Sugar Land under Chapter 312, Tax Code.

(b) A taxing unit participating in a tax increment reinvestment zone created by a municipality or county may continue to enter into a tax abatement agreement. (Loc. Gov. Code, Sec. 376.137.)

Sec. 3804.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.117.)

Sec. 3804.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the

findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.118.)

[Sections 3804.009-3804.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3804.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 13 directors who serve staggered terms of four years with six or seven directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.119(a).)

Sec. 3804.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Sugar Land shall appoint directors from persons recommended by the board.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors owning property in the city of Sugar Land.

(c) An owner of a tract of land in the district that is 10 or more acres in size may recommend to the board a successor director to fill a position or vacancy on the board unless a director recommended by the current or previous owner of the tract is serving on the board. (Loc. Gov. Code, Secs. 376.120(a) (part), (b), (c).)

Sec. 3804.053. NONVOTING DIRECTORS. The board may appoint

nonvoting directors to serve on the board. (Loc. Gov. Code, Sec. 376.121.)

Sec. 3804.054. REMOVAL OF DIRECTORS. (a) The board may remove a director if the director has missed half the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the governing body of the City of Sugar Land. The governing body may reinstate the director if the body finds that the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances. (Loc. Gov. Code, Sec. 376.120(d).)

[Sections 3804.055-3804.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3804.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and

(3) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects. (Loc. Gov. Code, Sec. 376.122 (part).)

Sec. 3804.102. RELATION TO OTHER LAW. This chapter prevails over a law to which Section 3804.101 or 3804.108 refers

that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.124 (part).)

Sec. 3804.103. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.126.)

Sec. 3804.104. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Fort Bend County or the City of Sugar Land for the county or the city to provide law enforcement services in the district for a fee.

(b) Fort Bend County, the City of Sugar Land, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this

subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; and

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec. 376.135.)

Sec. 3804.105. COMPETITIVE BIDDING. The district may enter a contract for more than $50,000 for services, improvements, or the purchase of property, including materials, machinery, equipment, and supplies, only as provided by Subchapter K, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.136.)

Sec. 3804.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS.

The district must obtain the City of Sugar Land's approval of the plans and specifications of any district improvement project related to the use of land owned by the City of Sugar Land, an easement granted by the City of Sugar Land, or a right-of-way of a street, road, or highway. (Loc. Gov. Code, Sec. 376.130.)

Sec. 3804.107. LIMITATION ON CERTAIN ACTIONS AFFECTING FACILITY OF TEXAS DEPARTMENT OF TRANSPORTATION. The district may not relocate, adjust, raise, lower, reroute, or change the grade or the construction of a facility under the jurisdiction of the Texas Department of Transportation without the department's written approval. (Loc. Gov. Code, Sec. 376.123(c).)

Sec. 3804.108. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land, whether located inside or outside the boundaries of the city of Sugar Land, as provided by Subchapter J, Chapter 49, Water Code. (Loc. Gov. Code, Sec. 376.122 (part).)

[Sections 3804.109-3804.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3804.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Fort Bend County;

(2) the owners of a majority of the surface area of

real property in the district, according to the most recent certified tax appraisal roll for Fort Bend County, excluding roads, streets, highways, and utility rights-of-way, other public areas, and any other property exempt from assessment under this chapter; or

(3) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Fort Bend County. (Loc. Gov. Code, Sec. 376.125.)

Sec. 3804.152. 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. (Loc. Gov. Code, Sec. 376.127.)

Sec. 3804.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.119(b) (part).)

Sec. 3804.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.122 (part).)

Sec. 3804.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3804.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.133.)

Sec. 3804.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by

Subchapter F, Chapter 375, Local Government Code.

(e) If equipment installed, at no cost to the district, on assessed property reduces the district's cost of providing a service, the district may reduce the amount of the assessment against the property for the person required to pay the assessment by an amount equal to the money saved by the equipment or may rebate the money saved to the person required to pay the assessment. The amount of money saved is determined solely by the district. The district shall determine and apply rebates and reductions under this subsection in a nondiscriminatory manner. (Loc. Gov. Code, Secs. 376.122 (part), 376.129(a), (b), (c), (e).)

Sec. 3804.157. PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not, without the consent of the owner, impose an impact fee or assessment under Chapter 375, Local Government Code, on:

(1) a condominium for which the owner meets all the requirements to claim a homestead exemption, a single-family detached residential property, or a residential duplex, triplex, or fourplex;

(2) a tract consistently and continuously used for:

(A) religious worship or a school that is maintained or owned by or affiliated with a religious organization; or

(B) a use ancillary to and in keeping with the operation of a full-service church or school affiliated with a religious organization;

(3) a tract owned by this state or the United States

and used for a public purpose;

(4) a tract owned by the City of Sugar Land, Fort Bend County, or another political subdivision and used for a public purpose; or

(5) a tract that is owned in fee simple by a community services association or property owners' association and that is not leased to a person who is not exempt under this chapter. (Loc. Gov. Code, Sec. 376.129(d).)

Sec. 3804.158. OBLIGATIONS; APPROVAL BY CITY OF SUGAR LAND. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Sugar Land:

(1) for the issuance of a bond for each improvement project; and

(2) of the plans and specifications of the improvement project to be financed by the bond.

(d) If the district obtains the approval of the City of Sugar Land of a capital improvements budget for a specified period

not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Sugar Land. (Loc. Gov. Code, Secs. 376.128(a), (b), (c), (d).)

Sec. 3804.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election.

(c) The board may not call an election under this chapter unless a written petition requesting an election is filed with the board. The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Fort Bend County;

(2) the owners of the majority of the surface area of real property in the district, according to the most recent certified tax appraisal roll for Fort Bend County, excluding roads, streets, highways, and utility rights-of-way, other public areas, and any other property exempt from assessment under this chapter; or

(3) at least 50 owners of land in the district, if more

than 50 persons own property in the district according to the most recent certified tax appraisal roll for Fort Bend County. (Loc. Gov. Code, Sec. 376.131.)

[Sections 3804.160-3804.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3804.201. DISSOLUTION OF DISTRICT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that the dissolution must be approved by:

(1) a three-fourths vote of the board; and

(2) a two-thirds vote of the City of Sugar Land's governing body.

(b) Despite this section and Section 375.264, Local Government Code, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, if the district has debt. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.134.)

CHAPTER 3805. UPPER KIRBY MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3805.001. DEFINITIONS

Sec. 3805.002. UPPER KIRBY MANAGEMENT DISTRICT

Sec. 3805.003. PURPOSE; DECLARATION OF INTENT

Sec. 3805.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3805.005. DISTRICT TERRITORY

Sec. 3805.006. TORT LIABILITY

Sec. 3805.007. ELIGIBILITY FOR REINVESTMENT ZONES

Sec. 3805.008. RELATION TO OTHER LAW

Sec. 3805.009. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3805.010-3805.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3805.051. BOARD OF DIRECTORS; TERMS

Sec. 3805.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE

[Sections 3805.053-3805.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3805.101. DISTRICT POWERS

Sec. 3805.102. NONPROFIT CORPORATION

Sec. 3805.103. ELECTIONS

Sec. 3805.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES

Sec. 3805.105. ANNEXATION OR EXCLUSION OF TERRITORY

[Sections 3805.106-3805.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3805.151. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES

Sec. 3805.152. MAINTENANCE TAX

Sec. 3805.153. ASSESSMENTS CONSIDERED TAXES

Sec. 3805.154. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS

Sec. 3805.155. PROPERTY OF ELECTRIC UTILITY EXEMPT FROM ASSESSMENT AND IMPACT FEES

Sec. 3805.156. DEBT

[Sections 3805.157-3805.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3805.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3805. UPPER KIRBY MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3805.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Upper Kirby Management District. (Loc. Gov. Code, Secs. 376.153(1), (2).)

Sec. 3805.002. UPPER KIRBY MANAGEMENT DISTRICT. A special district known as the "Upper Kirby Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.151(a).)

Sec. 3805.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public

welfare in the area traversed by Kirby Drive in the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.151(c), 376.152.)

Sec. 3805.004. 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) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

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

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of

residents, employers, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the Kirby Drive vicinity of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

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

(4) promote and benefit commercial development and commercial areas in the Kirby Drive vicinity of the city of Houston; and

(5) promote and develop public transportation and pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street

landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public. (Loc. Gov. Code, Sec. 376.156.)

Sec. 3805.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1202, Acts of the 77th Legislature, Regular Session, 2001, amending former Section 376.154, Local Government Code, as that territory may have been modified under:

(1) Section 3805.105 or its predecessor statutes, former Section 376.124(b), Local Government Code, as added by Chapter 275, Acts of the 75th Legislature, Regular Session, 1997, and former Section 376.154(b), Local Government Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1202, Acts of the 77th Legislature, Regular Session, 2001, amending former Section 376.154, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is

created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries. (Loc. Gov. Code, Secs. 376.154(c), 376.155; New.)

Sec. 3805.006. TORT LIABILITY. The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code. (Loc. Gov. Code, Sec. 376.162.)

Sec. 3805.007. ELIGIBILITY FOR REINVESTMENT ZONES. All or any part of the area of the district is eligible to be included in a tax increment reinvestment zone created by the City of Houston under Chapter 311, Tax Code. (Loc. Gov. Code, Sec. 376.169.)

Sec. 3805.008. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers, that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.161 (part).)

Sec. 3805.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec.

376.157.)

[Sections 3805.010-3805.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3805.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of five directors who serve staggered terms of four years.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if a majority of the board finds that it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than nine; or

(2) decrease the number of directors to fewer than five.

(c) Sections 49.053, 49.054, 49.056, 49.057, 49.058, and 49.060, Water Code, apply to the board.

(d) Subchapter D, Chapter 375, Local Government Code, applies to the board to the extent that subchapter does not conflict with this chapter. (Loc. Gov. Code, Sec. 376.158.)

Sec. 3805.052. APPOINTMENT OF DIRECTORS ON INCREASE IN BOARD SIZE. If the board increases the number of directors under Section 3805.051, the board shall appoint qualified persons to fill the new director positions and shall provide for staggering the terms of the directors serving in the new positions. On expiration of the term of a director appointed under this section, a succeeding director shall be appointed and qualified as provided by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec.

376.159(b).)

[Sections 3805.053-3805.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3805.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code;

(3) the powers, duties, and contracting authority specified by Subchapters H and I, Chapter 49, Water Code;

(4) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that section; and

(5) the powers of a housing finance corporation created under Chapter 394, Local Government Code. (Loc. Gov. Code, Sec. 376.160 (part).)

Sec. 3805.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.163.)

Sec. 3805.103. ELECTIONS. (a) District elections must be held in the manner provided by Subchapter L, Chapter 375, Local Government Code.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.166.)

Sec. 3805.104. CONTRACT FOR LAW ENFORCEMENT AND SECURITY SERVICES. The district may contract with:

(1) Harris County or the City of Houston for the county or city to provide law enforcement and security services for a fee; and

(2) a private entity for the private entity to provide supplemental security services. (Loc. Gov. Code, Sec. 376.160 (part).)

Sec. 3805.105. ANNEXATION OR EXCLUSION OF TERRITORY. The district may annex or exclude land from the district in the manner provided by Subchapter C, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.154(b).)

[Sections 3805.106-3805.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3805.151. AUTHORITY TO IMPOSE ASSESSMENTS, AD VALOREM TAXES, AND IMPACT FEES. The district may impose, assess, charge, or collect an assessment, an ad valorem tax, an impact fee, or another fee in accordance with Chapter 49, Water Code, for a purpose specified by Chapter 375, Local Government Code, or as needed to exercise a power or function or to accomplish a purpose or duty for which the district was created. (Loc. Gov. Code, Sec. 376.160 (part).)

Sec. 3805.152. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3805.103, the district may impose an annual ad valorem tax on taxable property in the district to maintain, restore, replace, or operate the district and improvements that the district constructs or acquires or the district's facilities, works, or services.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.167.)

Sec. 3805.153. ASSESSMENTS CONSIDERED TAXES. For purposes of a title insurance policy issued under Chapter 9, Insurance Code, an assessment is a tax. (Loc. Gov. Code, Sec. 376.165(f).)

Sec. 3805.154. LIENS FOR ASSESSMENTS; SUITS TO RECOVER ASSESSMENTS. (a) An assessment imposed on property under this chapter is a personal obligation of the person who owns the property on January 1 of the year for which the assessment is imposed. If the person transfers title to the property, the person is not relieved of the obligation.

(b) On January 1 of the year for which an assessment is imposed on a property, a lien attaches to the property to secure the

payment of the assessment and any interest accrued on the assessment. The lien has the same priority as a lien for district taxes.

(c) Not later than the fourth anniversary of the date on which a delinquent assessment became due, the district may file suit to foreclose the lien or to enforce the obligation for the assessment, or both, and for any interest accrued.

(d) In addition to recovering the amount of the assessment and any accrued interest, the district may recover reasonable costs, including attorney's fees, that the district incurs in foreclosing the lien or enforcing the obligation. The costs may not exceed an amount equal to 20 percent of the assessment and interest.

(e) If the district does not file a suit in connection with a delinquent assessment on or before the last date on which the district may file suit under Subsection (c), the assessment and any interest accrued is considered paid. (Loc. Gov. Code, Secs. 376.165(a), (b), (c), (d), (e).)

Sec. 3805.155. PROPERTY OF ELECTRIC UTILITY EXEMPT FROM ASSESSMENT AND IMPACT FEES. The district may not impose an impact fee or assessment on the property, equipment, or facilities of an electric utility as defined by Section 31.002, Utilities Code. (Loc. Gov. Code, Sec. 376.170.)

Sec. 3805.156. DEBT. The district may issue bonds, notes, or other debt obligations in accordance with Subchapters I and J, Chapter 375, Local Government Code, for a purpose specified by that chapter or as required to exercise a power or function or to accomplish a purpose or duty for which the district was created.

(Loc. Gov. Code, Sec. 376.164.)

[Sections 3805.157-3805.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3805.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code.

(b) Regardless of Section 375.264, Local Government Code, if the district has debt, the district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.168.)

CHAPTER 3806. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3806.001. DEFINITIONS

Sec. 3806.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

Sec. 3806.003. PURPOSE; DECLARATION OF INTENT

Sec. 3806.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3806.005. DISTRICT TERRITORY

Sec. 3806.006. APPLICABILITY OF OTHER LAW

Sec. 3806.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3806.008-3806.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3806.051. BOARD OF DIRECTORS; TERMS

Sec. 3806.052. APPOINTMENT OF DIRECTORS

[Sections 3806.053-3806.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3806.101. DISTRICT POWERS

Sec. 3806.102. RELATION TO OTHER LAW

Sec. 3806.103. NONPROFIT CORPORATION

Sec. 3806.104. CONTRACTS; GRANTS

[Sections 3806.105-3806.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3806.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3806.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3806.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3806.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3806.155. MAINTENANCE TAX

Sec. 3806.156. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3806.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS

Sec. 3806.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3806.159. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3806.160-3806.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3806.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3806. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3806.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Harris County Improvement District No. 2. (Loc. Gov. Code, Secs. 376.213(1), (3).)

Sec. 3806.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 2. A special district known as the "Harris County Improvement District No. 2" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.211(a).)

Sec. 3806.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the Richmond Avenue area of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of September 1, 1997, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area.

The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.211(c), 376.212.)

Sec. 3806.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the area in the district as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for

the restoration, preservation, and enhancement of scenic and aesthetic beauty.

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

(f) 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. (Loc. Gov. Code, Sec. 376.216.)

Sec. 3806.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 679, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.214, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 679, Acts of the 75th Legislature, Regular Session, 1997, enacting former Section 376.214, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is

created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.215; New.)

Sec. 3806.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.217.)

Sec. 3806.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.218.)

[Sections 3806.008-3806.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3806.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.219(a).)

Sec. 3806.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint

directors from persons recommended by the board who meet the requirements of Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.220 (part).)

[Sections 3806.053-3806.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3806.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the rights, powers, privileges, authority, and functions of a district created under Chapter 375, Local Government Code; and

(3) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects. (Loc. Gov. Code, Sec. 376.221 (part).)

Sec. 3806.102. RELATION TO OTHER LAW. This chapter prevails over any law to which Section 3806.101 refers that conflicts with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.224 (part).)

Sec. 3806.103. 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 for purposes of this chapter to be a local government corporation created under

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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.226.)

Sec. 3806.104. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; and

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other

agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec. 376.235.)

[Sections 3806.105-3806.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3806.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.225.)

Sec. 3806.152. 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. (Loc. Gov. Code, Sec. 376.227.)

Sec. 3806.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.219(b) (part).)

Sec. 3806.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.221 (part).)

Sec. 3806.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3806.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.233.)

Sec. 3806.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or

reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.221 (part), 376.229.)

Sec. 3806.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of an electric utility as defined by Section 31.002, Utilities Code. (Loc. Gov. Code, Sec. 376.230.)

Sec. 3806.158. OBLIGATIONS; APPROVAL BY CITY OF

HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to the use of:

(A) land owned by a municipality;

(B) an easement granted by a municipality; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.228(a), (b) (part), (c), (d).)

Sec. 3806.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.231.)

[Sections 3806.160-3806.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3806.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.234 (part).)

CHAPTER 3807. GREATER EAST END MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3807.001. DEFINITIONS

Sec. 3807.002. GREATER EAST END MANAGEMENT DISTRICT

Sec. 3807.003. PURPOSE; DECLARATION OF INTENT

Sec. 3807.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3807.005. DISTRICT TERRITORY

Sec. 3807.006. APPLICABILITY OF OTHER LAW

Sec. 3807.007. RELATION TO OTHER LAW

Sec. 3807.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3807.009-3807.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3807.051. BOARD OF DIRECTORS; TERMS

Sec. 3807.052. APPOINTMENT OF DIRECTORS

[Sections 3807.053-3807.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3807.101. POWERS

Sec. 3807.102. NONPROFIT CORPORATION

Sec. 3807.103. CONTRACTS; GRANTS

Sec. 3807.104. PLANS FOR WORKFORCE DEVELOPMENT SERVICES

[Sections 3807.105-3807.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3807.151. PETITION REQUIRED FOR FINANCING SERVICE OR IMPROVEMENT

Sec. 3807.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3807.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3807.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3807.155. MAINTENANCE TAX

Sec. 3807.156. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3807.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS

Sec. 3807.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3807.159. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3807.160-3807.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3807.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3807. GREATER EAST END MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3807.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Greater East End Management District. (Loc. Gov. Code, Secs. 376.263(1), (3).)

Sec. 3807.002. GREATER EAST END MANAGEMENT DISTRICT. A special district in Harris County known as the "Greater East End Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.261(a).)

Sec. 3807.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the Greater East End area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of May 10, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.261(c), 376.262.)

Sec. 3807.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the Greater East End

area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

(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 and aesthetic beauty; and

(4) eliminate unemployment and underemployment and develop or expand transportation and commerce by providing or by participating with other entities and educational institutions in establishing, equipping, financing, and operating workforce development, workforce education, and job training opportunities.

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

(f) 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. (Loc. Gov. Code, Sec. 376.266.)

Sec. 3807.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 47, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.264, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 47, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.264, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.265; New.)

Sec. 3807.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Secs. 376.267, 376.271 (part).)

Sec. 3807.007. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers, that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.274 (part).)

Sec. 3807.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec.

376.268.)

[Sections 3807.009-3807.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3807.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 15 directors who serve staggered terms of four years, with seven directors' terms expiring June 1 of an odd-numbered year and eight directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.269(a).)

Sec. 3807.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.270 (part).)

[Sections 3807.053-3807.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3807.101. POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created; and

(2) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's

Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects. (Loc. Gov. Code, Sec. 376.271 (part).)

Sec. 3807.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.276.)

Sec. 3807.103. CONTRACTS; GRANTS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized by this

chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec. 376.286.)

Sec. 3807.104. PLANS FOR WORKFORCE DEVELOPMENT SERVICES. (a) The district shall develop and implement one or more plans for workforce development services. The services may include:

(1) job training;

(2) workforce education;

(3) financing of special educational opportunities;

(4) student summer work programs; or

(5) other projects that promote workforce development.

(b) To assist in implementing a plan for workforce development services, the district may:

(1) accept a donation, grant, or loan from any person;

(2) work with a school at any level;

(3) work with any person that provides workforce development money or projects; or

(4) participate with any other entity. (Loc. Gov. Code, Secs. 376.284(a), (c), (d).)

[Sections 3807.105-3807.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3807.151. PETITION REQUIRED FOR FINANCING SERVICE OR IMPROVEMENT. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.275.)

Sec. 3807.152. 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. (Loc. Gov. Code, Sec. 376.277.)

Sec. 3807.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.269(b) (part).)

Sec. 3807.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or a service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.271 (part).)

Sec. 3807.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3807.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.283.)

Sec. 3807.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) An assessment, a reassessment, or an assessment

resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.271 (part), 376.279.)

Sec. 3807.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone,

sewage, or water service. (Loc. Gov. Code, Secs. 376.263(5), 376.280.)

Sec. 3807.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not

to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.278(a), (b) (part), (c), (d).)

Sec. 3807.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.281.)

[Sections 3807.160-3807.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3807.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or obligations according to their terms. (Loc. Gov. Code, Sec. 376.285 (part).)

CHAPTER 3808. EAST DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3808.001. DEFINITIONS

Sec. 3808.002. EAST DOWNTOWN MANAGEMENT DISTRICT

Sec. 3808.003. PURPOSE; DECLARATION OF INTENT

Sec. 3808.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3808.005. DISTRICT TERRITORY

Sec. 3808.006. APPLICABILITY OF OTHER LAW

Sec. 3808.007. RELATION TO OTHER LAW

Sec. 3808.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3808.009-3808.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3808.051. BOARD OF DIRECTORS; TERMS

Sec. 3808.052. APPOINTMENT OF DIRECTORS

Sec. 3808.053. EX OFFICIO DIRECTORS

Sec. 3808.054. CONFLICTS OF INTEREST

[Sections 3808.055-3808.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3808.101. DISTRICT POWERS

Sec. 3808.102. NONPROFIT CORPORATION

Sec. 3808.103. CONTRACTS; GRANTS; DONATIONS

Sec. 3808.104. COMPETITIVE BIDDING

Sec. 3808.105. ANNEXATION

[Sections 3808.106-3808.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3808.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3808.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3808.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3808.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3808.155. MAINTENANCE TAX

Sec. 3808.156. ASSESSMENTS; LIEN FOR ASSESSMENTS

Sec. 3808.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS

Sec. 3808.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3808.159. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3808.160-3808.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3808.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3808. EAST DOWNTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3808.001. DEFINITIONS. In this chapter:

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

(2) "District" means the East Downtown Management District. (Loc. Gov. Code, Secs. 376.303(1), (3).)

Sec. 3808.002. EAST DOWNTOWN MANAGEMENT DISTRICT. A special district known as the "East Downtown Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.301(a).)

Sec. 3803.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a

program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the east downtown area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 19, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.301(c), 376.302.)

Sec. 3808.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the east downtown area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.306.)

Sec. 3808.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1493, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, as that territory

may have been modified under:

(1) Section 3808.105 or its predecessor statute, former Section 376.327, Local Government Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1493, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.305; New.)

Sec. 3808.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees. (Loc. Gov. Code, Secs. 376.307, 376.311 (part).)

Sec. 3808.007. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.314 (part).)

Sec. 3808.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.308.)

[Sections 3808.009-3808.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3808.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 17 directors who serve staggered terms of four years, with nine directors' terms expiring June 1 of an odd-numbered year and eight directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.309(a).)

Sec. 3808.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.310 (part).)

Sec. 3808.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center

departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the east downtown area of the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.3125.)

Sec. 3808.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary

declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.3128.)

[Sections 3808.055-3808.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3808.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and

(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide

housing or residential development projects in the district. (Loc. Gov. Code, Sec. 376.311 (part).)

Sec. 3808.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.316.)

Sec. 3808.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or accept a donation from, any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.325, 376.328.)

Sec. 3808.104. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less. (Loc. Gov. Code, Sec. 376.326.)

Sec. 3808.105. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government

Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation. (Loc. Gov. Code, Sec. 376.327.)

[Sections 3808.106-3808.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3808.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.315.)

Sec. 3808.152. 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. (Loc. Gov. Code, Sec. 376.317.)

Sec. 3808.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.309(b) (part).)

Sec. 3808.154. AUTHORITY TO IMPOSE AD VALOREM TAXES,

ASSESSMENTS, OR IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.311 (part).)

Sec. 3808.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3808.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.323.)

Sec. 3808.156. ASSESSMENTS; LIEN FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(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 charge against the owners of the property even if the owners are not named in the assessment proceeding.

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.311 (part), 376.319.)

Sec. 3808.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. The district may not impose:

(1) a tax, impact fee, or assessment on a residential property or condominium; or

(2) an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service. (Loc. Gov. Code, Secs. 376.303(5), 376.320.)

Sec. 3808.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.318(a), (b) (part), (c), (d).)

Sec. 3808.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.321.)

[Sections 3808.160-3808.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3808.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its other obligations according to their terms. (Loc. Gov. Code, Sec. 376.324 (part).)

CHAPTER 3809. MIDTOWN MANAGEMENT DISTRICT

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[Sections 3809.160-3809.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3809.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3809. MIDTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3809.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Midtown Management District. (Loc. Gov. Code, Secs. 376.353(1), (3).)

Sec. 3809.002. MIDTOWN MANAGEMENT DISTRICT. The Midtown Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.351(a).)

Sec. 3809.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the midtown area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from

providing the level of services provided as of August 30, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.351(c), 376.352.)

Sec. 3809.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the midtown area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.356.)

Sec. 3809.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, as that territory may have been modified under:

(1) Section 3809.107 or its predecessor statutes, former Section 376.316, Local Government Code, as added by Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, and former Section 376.366, Local Government Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained

in Section 1, Chapter 1017, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, 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 a purpose 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

(4) legality or operation. (Loc. Gov. Code, Sec. 376.355; New.)

Sec. 3809.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees. (Loc. Gov. Code, Sec. 376.357.)

Sec. 3809.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.358.)

[Sections 3809.008-3809.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3809.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 17 directors who serve staggered terms of four years with eight directors' terms expiring June 1 of an odd-numbered year and nine directors' terms expiring June 1 of the following odd-numbered year.

(b) A director shall receive compensation as provided by Section 49.060, Water Code. (Loc. Gov. Code, Sec. 376.359.)

Sec. 3809.052. APPOINTMENT OF DIRECTORS; IMMUNITY. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston.

(c) District directors are public officials entitled to governmental immunity for their official actions. (Loc. Gov. Code, Sec. 376.360.)

Sec. 3809.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is

abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation that is actively involved in activities in the midtown area of the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.361.)

Sec. 3809.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter

regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.362.)

[Sections 3809.055-3809.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3809.101. DISTRICT POWERS. The district may exercise the powers given to:

(1) a corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); and

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Secs. 376.363(a), (b).)

Sec. 3809.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.365.)

Sec. 3809.103. AGREEMENTS, DONATIONS, GRANTS, AND LOANS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.364(a), (b).)

Sec. 3809.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee. (Loc. Gov. Code, Sec. 376.364(c).)

Sec. 3809.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less. (Loc. Gov. Code, Sec. 376.375.)

Sec. 3809.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of an improvement project financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval of the City of Houston. (Loc. Gov. Code, Secs. 376.373(a), (b), (c).)

Sec. 3809.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation. (Loc. Gov. Code, Sec. 376.366.)

[Sections 3809.108-3809.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3809.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of land in the district, if more

than 25 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.367.)

Sec. 3809.152. 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. (Loc. Gov. Code, Sec. 376.374.)

Sec. 3809.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, on all property in the district, including industrial, commercial, or residential property, to finance:

(1) an improvement this chapter authorizes the district to construct or acquire; or

(2) a service this chapter authorizes the district to provide. (Loc. Gov. Code, Sec. 376.363(c).)

Sec. 3809.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3809.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.369.)

Sec. 3809.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any

purpose authorized by this chapter.

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

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

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

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

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Loc. Gov. Code, Sec. 376.370.)

Sec. 3809.156. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property of a person that provides to the public gas, electricity, telephone, sewage, or water service. (Loc. Gov. Code, Secs. 376.353(5), 376.372.)

Sec. 3809.157. CERTAIN RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district. (Loc. Gov. Code, Sec. 376.371.)

Sec. 3809.158. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election. (Loc. Gov. Code, Sec. 376.368.)

Sec. 3809.159. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Loc. Gov. Code, Sec. 376.373(d).)

[Sections 3809.160-3809.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3809.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged. (Loc. Gov. Code, Sec. 376.376.)

CHAPTER 3810. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3810.001. DEFINITIONS

Sec. 3810.002. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

Sec. 3810.003. PURPOSE; DECLARATION OF INTENT

Sec. 3810.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3810.005. DISTRICT TERRITORY

Sec. 3810.006. APPLICABILITY OF OTHER LAW

Sec. 3810.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3810.008-3810.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3810.051. BOARD OF DIRECTORS; TERMS

Sec. 3810.052. APPOINTMENT OF DIRECTORS

Sec. 3810.053. EX OFFICIO DIRECTORS

Sec. 3810.054. CONFLICTS OF INTEREST

[Sections 3810.055-3810.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3810.101. DISTRICT POWERS

Sec. 3810.102. NONPROFIT CORPORATION

Sec. 3810.103. AGREEMENTS, DONATIONS, GRANTS, AND LOANS

Sec. 3810.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT

Sec. 3810.105. COMPETITIVE BIDDING

Sec. 3810.106. APPROVAL BY CITY OF HOUSTON

Sec. 3810.107. ANNEXATION

[Sections 3810.108-3810.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3810.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS
Sec. 3810.152. DISBURSEMENTS AND TRANSFERS OF MONEY
Sec. 3810.153. MAINTENANCE TAX
Sec. 3810.154. ASSESSMENTS; LIENS FOR ASSESSMENTS
Sec. 3810.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS
Sec. 3810.156. ELECTIONS REGARDING TAXES OR BONDS
Sec. 3810.157. MUNICIPALITY NOT OBLIGATED TO PAY DISTRICT OBLIGATIONS
[Sections 3810.158-3810.200 reserved for expansion]
SUBCHAPTER E. DISSOLUTION
Sec. 3810.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3810. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3810.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Harris County Municipal Management District No. 1. (Loc. Gov. Code, Secs. 376.403(1), (3).)

Sec. 3810.002. HARRIS COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1. The Harris County Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.401(a).)

Sec. 3810.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 18, 1999, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.401(c), 376.402.)

Sec. 3810.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) The district may 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. (Loc. Gov. Code, Sec. 376.406.)

Sec. 3810.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, as that territory may have been modified under:

(1) Section 3810.107, or its predecessor statutes, former Section 376.316, Local Government Code, as added by Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, and former Section 376.416, Local Government Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Chapter 1324, Acts of the 76th Legislature, Regular Session, 1999, enacting former Section 376.304, Local Government Code, 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 a purpose for which the district is created or to pay the principal of and interest on the bond;

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

(4) legality or operation. (Loc. Gov. Code, Sec. 376.405; New.)

Sec. 3810.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government

Code, applies to the district. (Loc. Gov. Code, Sec. 376.407.)

Sec. 3810.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.408.)

[Sections 3810.008-3810.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3810.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years.

(b) A director shall receive compensation as provided by Section 49.060, Water Code. (Loc. Gov. Code, Sec. 376.409.)

Sec. 3810.052. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint the person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors being residents of the city of Houston. (Loc. Gov. Code, Sec. 376.410.)

Sec. 3810.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation actively involved in activities in the area of the district in the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.411.)

Sec. 3810.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.412.)

[Sections 3810.055-3810.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3810.101. DISTRICT POWERS. (a) The district may exercise the powers given to:

(1) a corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes);

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district; and

(3) an eligible political subdivision under Chapter 221, Natural Resources Code.

(b) The district may exercise its powers in an area outside

the district if the board determines that exercising that power benefits the district. (Loc. Gov. Code, Sec. 376.413.)

Sec. 3810.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.415.)

Sec. 3810.103. AGREEMENTS, DONATIONS, GRANTS, AND LOANS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.414(a), (b).)

Sec. 3810.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to

provide law enforcement services in the district for a fee. (Loc. Gov. Code, Sec. 376.414(c).)

Sec. 3810.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less. (Loc. Gov. Code, Sec. 376.424.)

Sec. 3810.106. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain approval from the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.422(a), (b), (c).)

Sec. 3810.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

(Loc. Gov. Code, Sec. 376.416.)

[Sections 3810.108-3810.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3810.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is 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 according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.418.)

Sec. 3810.152. 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. (Loc. Gov. Code, Sec. 376.423.)

Sec. 3810.153. MAINTENANCE TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district to maintain and operate the district and the improvements constructed or acquired by the district or to provide a service only if:

(1) two-thirds of the directors vote in favor of imposing the tax; and

(2) the tax is authorized at an election held in accordance with Section 3810.156.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.420.)

Sec. 3810.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)

The board by resolution may impose and collect an assessment for any purpose authorized by this chapter only if two-thirds of the directors vote in favor of imposing the assessment.

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

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

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

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

(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. (Loc. Gov. Code, Sec. 376.417.)

Sec. 3810.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person who provides to the public gas, electric, telephone, sewage, or water service. (Loc. Gov. Code, Secs. 376.403(5), 376.421.)

Sec. 3810.156. ELECTIONS REGARDING TAXES OR

BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.419.)

Sec. 3810.157. MUNICIPALITY NOT OBLIGATED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not obligated to pay a bond, note, or other obligation of the district. (Loc. Gov. Code, Sec. 376.422(d).)

[Sections 3810.158-3810.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3810.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged. (Loc. Gov. Code, Sec. 376.425.)

CHAPTER 3811. NEAR NORTHWEST MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3811.001. DEFINITIONS

Sec. 3811.002. NEAR NORTHWEST MANAGEMENT DISTRICT

Sec. 3811.003. PURPOSE; DECLARATION OF INTENT

Sec. 3811.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3811.005. DISTRICT TERRITORY

Sec. 3811.006. APPLICABILITY OF OTHER LAW

Sec. 3811.007. RELATION TO OTHER LAW

Sec. 3811.008. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3811.009-3811.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3811.051. BOARD OF DIRECTORS; TERMS

Sec. 3811.052. APPOINTMENT OF DIRECTORS

Sec. 3811.053. EX OFFICIO DIRECTORS

Sec. 3811.054. CONFLICTS OF INTEREST

[Sections 3811.055-3811.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3811.101. DISTRICT POWERS

Sec. 3811.102. NONPROFIT CORPORATION

Sec. 3811.103. CONTRACTS; GRANTS; DONATIONS

Sec. 3811.104. ANNEXATION

[Sections 3811.105-3811.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3811.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3811.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3811.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3811.154. AUTHORITY TO IMPOSE AD VALOREM TAXES,

ASSESSMENTS, AND IMPACT FEES

Sec. 3811.155. MAINTENANCE TAX

Sec. 3811.156. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3811.157. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3811.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3811.159. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3811.160. SALES AND USE TAX PROHIBITED

[Sections 3811.161-3811.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3811.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3811. NEAR NORTHWEST MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3811.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Near Northwest Management District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.002. NEAR NORTHWEST MANAGEMENT DISTRICT. A special district known as the "Near Northwest Management District" is a governmental agency and political subdivision of this state. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the near northwest area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of May 28, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.451(c), 376.452, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the near northwest area of the city of Houston to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.005. DISTRICT TERRITORY. (a) The district is composed of the territory contained in the area bounded by T.C. Jester Boulevard on the east, Pinemont Drive on the south, Hollister Drive projected to State Road 249 on the west, and State Road 249 on the north, as those roads existed on May 28, 2001, and as that territory may have been modified under:

(1) Section 3811.104 or its predecessor statute, former Section 376.479, Local Government Code, as added by Section 1, Chapter 418, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries described by Subsection (a) form a closure. A mistake in the description in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Secs. 376.454, 376.455, as added Acts 77th

Leg., R.S., Ch. 418; New.)

Sec. 3811.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees. (Loc. Gov. Code, Secs. 376.457, 376.461 (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.007. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers, that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.467 (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 418.)

[Sections 3811.009-3811.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3811.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years with five directors' terms expiring June 1 of an odd-numbered year and four directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.459(a), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.460 (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a

nonprofit corporation that is actively involved in activities in the near northwest area of the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.464, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.054. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that

a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.465, as added Acts 77th Leg., R.S., Ch. 418.)

[Sections 3811.055-3811.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3811.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and

(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or accept a donation from, any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; or

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.478, 376.480, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.104. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation. (Loc. Gov. Code, Sec. 376.479, as added Acts 77th Leg., R.S., Ch. 418.)

[Sections 3811.105-3811.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3811.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of

real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own land in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.152. 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. (Loc. Gov. Code, Sec. 376.470, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.459(b) (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3811.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(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 each owner of the property even if the owners are not named in the assessment proceeding.

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by

Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.461 (part), 376.472, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.157. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on:

(1) a residence homestead as defined by Section 11.13, Tax Code; or

(2) the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service. (Loc. Gov. Code, Secs. 376.453(5), 376.473, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.471(a), (b) (part), (c), (d), as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.474, as added Acts 77th Leg., R.S., Ch. 418.)

Sec. 3811.160. SALES AND USE TAX PROHIBITED. The district

may not impose a sales and use tax. (Loc. Gov. Code, Sec. 376.462, as added Acts 77th Leg., R.S., Ch. 418.)

[Sections 3811.161-3811.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3811.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.477 (part), as added Acts 77th Leg., R.S., Ch. 418.)

CHAPTER 3812. GREATER NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3812.001. DEFINITIONS

Sec. 3812.002. GREATER NORTHSIDE MANAGEMENT DISTRICT

Sec. 3812.003. PURPOSE; DECLARATION OF INTENT

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Sec. 3812.005. DISTRICT TERRITORY

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SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3812.051. BOARD OF DIRECTORS; TERMS

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[Sections 3812.054-3812.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3812.101. DISTRICT POWERS

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Sec. 3812.103. CONTRACTS; GRANTS

[Sections 3812.104-3812.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3812.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3812.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3812.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES

Sec. 3812.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES

Sec. 3812.155. MAINTENANCE TAX

Sec. 3812.156. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3812.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS

Sec. 3812.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3812.159. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3812.160-3812.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3812.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3812. GREATER NORTHSIDE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3812.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Greater Northside Management District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.002. GREATER NORTHSIDE MANAGEMENT DISTRICT. The Greater Northside Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.003. PURPOSE; DECLARATION OF INTENT. (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.

(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 north side of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 16, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Sec. 376.452, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(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 to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

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

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

improvement.

(f) 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Chapter 1356, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Chapter 1356, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Loc. Gov. Code, Sec. 376.455, as added Acts 77th Leg., R.S., Ch. 1356; New.)

Sec. 3812.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government

Code, applies to the district. (Loc. Gov. Code, Secs. 376.457, 376.461 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.007. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers, that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.464 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1356.)

[Sections 3812.009-3812.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3812.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 11 directors who serve staggered terms of four years with five directors' terms expiring June 1 of an odd-numbered year and six directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than nine. (Loc. Gov. Code, Sec. 376.459(a), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.052. APPOINTMENT OF DIRECTORS. The mayor and

members of the governing body of the City of Houston shall appoint directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.460(a), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.053. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Jeanette Rash
2	Lisa Cabral
3	Rodrigo Gonzalez
4	Toy Brando Halsey
5	Dr. John Perez
6	Leticia Elias
7	Sam Treynor
8	Candy Perez
9	Dr. San Juanita Garza
10	Jesse Tanner
11	Frumencio Reyes

(b) The terms of the initial directors appointed for positions 1 through 5 expire on June 1, 2003, and the terms of the initial directors appointed for positions 6 through 11 expire on June 1, 2005.

(c) Section 3812.052 does not apply to this section.

(d) This section expires September 1, 2006. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 1356.)

[Sections 3812.054-3812.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3812.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created; and

(2) the powers given to a corporation under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.466, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.103. CONTRACTS; GRANTS. (a) To protect the

public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; and

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; and

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable. (Loc. Gov. Code, Sec.

376.475, as added Acts 77th Leg., R.S., Ch. 1356.)

[Sections 3812.104-3812.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3812.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.465, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.152. 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. (Loc. Gov. Code, Sec. 376.467, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.459(b) (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.154. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem

tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3812.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.473, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code, Secs. 376.461 (part), 376.469 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property, multiunit residential property, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service. (Loc. Gov. Code, Secs. 376.453(5), 376.470, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 1356.)

Sec. 3812.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the election required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter

approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.471, as added Acts 77th Leg., R.S., Ch. 1356.)

[Sections 3812.160-3812.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3812.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.474 (part), as added Acts 77th Leg., R.S., Ch. 1356.)

CHAPTER 3813. OLD TOWN SPRING IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3813.001. DEFINITIONS

Sec. 3813.002. OLD TOWN SPRING IMPROVEMENT DISTRICT

Sec. 3813.003. PURPOSE; DECLARATION OF INTENT

Sec. 3813.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE; GENERAL DUTIES

Sec. 3813.005. DISTRICT TERRITORY

[Sections 3813.006-3813.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3813.051. BOARD OF DIRECTORS

Sec. 3813.052. ELECTION OF DIRECTORS

Sec. 3813.053. LAW GOVERNING ADMINISTRATION OF BOARD

Sec. 3813.054. VOTING BY BOARD PRESIDENT RESTRICTED

[Sections 3813.055-3813.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3813.101. DISTRICT POWERS

Sec. 3813.102. RELATION TO OTHER LAW

Sec. 3813.103. RULES

Sec. 3813.104. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES

Sec. 3813.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS

Sec. 3813.106. CONTRACTS; GRANTS; DONATIONS

Sec. 3813.107. ANNEXATION OR EXCLUSION OF TERRITORY

Sec. 3813.108. EMINENT DOMAIN

Sec. 3813.109. PEACE OFFICERS

[Sections 3813.110-3813.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3813.151. SALES AND USE TAX; EXCISE TAX

Sec. 3813.152. TAX ELECTION PROCEDURES

Sec. 3813.153. BALLOT WORDING

Sec. 3813.154. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES

Sec. 3813.155. TAX RATES

Sec. 3813.156. ABOLITION OF TAX

Sec. 3813.157. USE OF TAXES

Sec. 3813.158. EFFECTIVE DATE OF TAX OR TAX CHANGE

Sec. 3813.159. AD VALOREM TAX PROHIBITED

Sec. 3813.160. FEES; CHARGES

Sec. 3813.161. BORROWING MONEY

Sec. 3813.162. PAYMENT OF EXPENSES

Sec. 3813.163. BONDS

[Sections 3813.164-3813.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3813.201. DISSOLUTION BY BOARD ORDER

Sec. 3813.202. DISSOLUTION BY PETITION OF OWNERS

Sec. 3813.203. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION

CHAPTER 3813. OLD TOWN SPRING IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3813.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Old Town Spring Improvement District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.002. OLD TOWN SPRING IMPROVEMENT DISTRICT. The Old Town Spring Improvement District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.003. PURPOSE; DECLARATION OF INTENT. (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.

(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, scenic beauty, and the public welfare in the Old Town Spring area of Harris County.

(c) This chapter and the creation of the district do not relieve Harris County from providing the level of services provided as of September 1, 2001, to the area in the district. The district is created to supplement and not to replace the county services provided in the area in the district. (Loc. Gov. Code, Sec. 376.452, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE; GENERAL DUTIES. (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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district shall:

(1) promote the health, safety, and general welfare of

residents, merchants, landowners, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the Old Town Spring area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center;

(3) provide and maintain common areas and facilities in the district to ensure scenic beauty;

(4) provide improvements in the district to promote the welfare of the public, residents, merchants, and landowners in the district; and

(5) 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) The district may 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3813.107(a) or its predecessor statute, former Section 376.462(a)(3), Local Government Code, as added by Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Loc. Gov. Code, Sec. 376.455, as added Acts 77th Leg., R.S., Ch. 1371; New.)

[Sections 3813.006-3813.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3813.051. BOARD OF DIRECTORS. (a) The district is governed by a board of five directors who occupy numbered positions. The directors occupying positions one, two, and three are appointed under this section, and the directors occupying positions four and five are elected as provided by this section and Section 3813.052.

(b) The Commissioners Court of Harris County shall appoint:

(1) one person who leases a retail store or who owns real property in the district to serve in position one for a three-year term;

(2) one person who leases a retail store but does not own real property in the district to serve in position two for a two-year term; and

(3) one person who owns real property in the district to serve in position three for a three-year term.

(c) A director elected under Section 3813.052 serves a two-year term. To qualify as a candidate for position four, a person must reside in the district. To qualify as a candidate for position five, a person must lease a retail store or own real property in the district.

(d) A term expires on January 31 of the appropriate year.

(e) In appointing directors under Subsection (b), the commissioners court shall consider any recommendation received by an organization dedicated to the economic development of the Old Town Spring area. (Loc. Gov. Code, Sec. 376.457, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.052. ELECTION OF DIRECTORS. (a) The board shall hold an election of directors for positions four and five in each even-numbered year on the uniform election date in February established by Section 41.001, Election Code.

(b) In addition to the contents required by the Election Code, notice of a directors' election must:

(1) state the number of directors to be voted on; and

(2) describe the qualifications for each position for which a candidate is running.

(c) In addition to requirements prescribed by the Election Code, the ballots for a directors' election shall describe the

qualifications of the position for which each candidate is running.

(d) The board shall certify that the person receiving the highest number of votes for each position is elected as the director for that position. (Loc. Gov. Code, Sec. 376.460, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.053. LAW GOVERNING ADMINISTRATION OF BOARD. Sections 375.066-375.070, Local Government Code, apply to the board as if it were established under Chapter 375 of that code. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.054. VOTING BY BOARD PRESIDENT RESTRICTED. The board president may not vote except to break a tie vote. (Loc. Gov. Code, Sec. 376.459, as added Acts 77th Leg., R.S., Ch. 1371.)

[Sections 3813.055-3813.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3813.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers and duties of a municipal management district under Subchapter E, Chapter 375, Local Government Code; and

(3) the powers given to an industrial development corporation organized under the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes). (Loc. Gov. Code, Sec. 376.461, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.102. RELATION TO OTHER LAW. This chapter prevails over a law to which Section 3813.101 or Subchapter E, Chapter 375, Local Government Code, refers that is in conflict with

or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.464 (part), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.103. RULES. The district may adopt rules for:

(1) the administration and operation of the district;

(2) the use, enjoyment, availability, protection, security, and maintenance of the district's facilities; and

(3) the provision of public safety and security in the district. (Loc. Gov. Code, Sec. 376.462(a) (part), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.104. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES. (a) The district may undertake an improvement project separately or jointly with another person and pay all or part of the costs of an improvement project, including an improvement project that:

(1) improves, enhances, or supports public safety and security, fire protection, emergency medical services, or law enforcement in the district;

(2) confers a general benefit on the entire district and the areas adjacent to the district; or

(3) confers a special benefit on all or part of the district.

(b) A district improvement project or service may include:

(1) the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of:

(A) landscaping; lighting, banners, or signs; streets or sidewalks; pedestrian or bicycle paths and trails;

pedestrian walkways, skywalks, crosswalks, or tunnels; and highway right-of-way or transit corridor beautification and improvements;

(B) drainage or storm water detention improvements and solid waste, water, sewer, or power facilities and services, including electrical, gas, steam, and chilled water facilities and services;

(C) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves; fountains, plazas, or pedestrian malls; public art or sculpture and related exhibits and facilities and educational or cultural exhibits and facilities, including exhibits, displays, attractions, or facilities for special events, holidays, or seasonal or cultural celebrations;

(D) off-street parking facilities, bus terminals, heliports, mass transit, and roadway or water transportation systems; and

(E) other public improvements, facilities, or services similar to the improvements, facilities, or services described by Paragraphs (A)-(D);

(2) the cost of removing, razing, demolishing, or clearing of land or improvements in connection with providing an improvement project;

(3) the acquisition of property or an interest in the property that is made in connection with an improvement project; and

(4) the provision of special or supplemental services to improve or promote the area in the district or to protect the

public health and safety in the district, including advertising, promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and recreational, educational, or cultural improvements, enhancements, or services. (Loc. Gov. Code, Secs. 376.462(a) (part), 376.463, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS. The district may, as if the district were a home-rule municipality with a population of more than 100,000:

(1) issue bonds and lease, acquire, or construct a building or facility as provided by Subchapter A, Chapter 1509, Government Code; and

(2) establish and administer a program as provided by Section 380.002, Local Government Code. (Loc. Gov. Code, Sec. 376.462(d), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.106. CONTRACTS; GRANTS; DONATIONS. (a) The district may contract with any person to accomplish the purposes of this chapter on terms and for the period the board determines, including contracting for the payment of costs incurred by the person on behalf of the district, including all or part of the costs of an improvement project, from tax proceeds or any other specified source of money.

(b) The district may contract with a person to receive, administer, and perform the district's duties under a gift, grant, loan, conveyance, transfer, bequest, donation, or other financial

arrangement relating to the investigation, planning, analysis, acquisition, construction, completion, implementation, or operation of a proposed or existing improvement project.

(c) Any person, including any type of governmental entity, may contract with the district to carry out the purposes of this chapter. (Loc. Gov. Code, Secs. 376.462(a) (part), 376.475, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a) The district may add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code.

(b) Not later than the 10th day after the date on which the district annexes or excludes territory, the board shall send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion. (Loc. Gov. Code, Secs. 376.462(a) (part), 376.473, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.108. EMINENT DOMAIN. The district may not exercise the power of eminent domain. (Loc. Gov. Code, Sec. 376.465, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.109. PEACE OFFICERS. The district may not employ peace officers. (Loc. Gov. Code, Sec. 376.462(b), as added Acts 77th Leg., R.S., Ch. 1371.)

[Sections 3813.110-3813.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3813.151. SALES AND USE TAX; EXCISE TAX. (a) For purposes of this section:

(1) "Taxable items" includes all items subject to a

sales and use tax that is imposed by Harris County.

(2) "Use," with respect to a taxable service, means the derivation in the district of a direct or indirect benefit from the service.

(b) The district may impose a sales and use tax if authorized by a majority vote at an election held for that purpose.

(c) If the district adopts a sales and use tax:

(1) the tax is imposed on the receipts from the sale at retail of taxable items in the district; and

(2) an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased or rented from a retailer during the period in which the sales and use tax is effective in the district.

(d) The rate of the excise tax is the same as the rate of the sales tax portion of the tax applied to the sales price of the taxable items and is included in the sales tax. (Loc. Gov. Code, Secs. 376.462(a) (part), 376.466(a), (b) (part), (c), (d), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.152. TAX ELECTION PROCEDURES. (a) The board may order an election to adopt, change the rate of, or abolish a sales and use tax. The election may be held at the same time and in conjunction with a directors' election.

(b) The election must be held on the next uniform election date that falls on or after the 45th day after the date the election order is adopted.

(c) Notice of the election shall be given and the election shall be held in the manner prescribed for a bond election by

Subchapter D, Chapter 49, Water Code. (Loc. Gov. Code, Secs. 376.467(a), (b), (c), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.153. BALLOT WORDING. (a) In an election to adopt a sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in the Old Town Spring Improvement District at the rate of (proposed tax rate)."

(b) In an election to change the rate of the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The (increase or decrease, as applicable) in the rate of the local sales and use tax imposed in the Old Town Spring Improvement District from (tax rate on election date) percent to (proposed tax rate) percent."

(c) In an election to abolish the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The abolition of the local sales and use tax in the Old Town Spring Improvement District." (Loc. Gov. Code, Secs. 376.467(d), (e), (f), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.154. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent not inconsistent with this chapter, governs the application, collection, and administration of the sales and use tax and the excise tax, except that Sections 323.401-323.406 and 323.505, Tax Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax Code, govern the administration and enforcement of the sales and use tax and the excise tax.

(b) Chapter 323, Tax Code, does not apply to the use and

allocation of revenues under this chapter.

(c) In applying Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference in that chapter to "the commissioners court" means the board. (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.155. TAX RATES. The district may impose the sales and use tax and the excise tax in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of one percent. (Loc. Gov. Code, Sec. 376.470, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.156. ABOLITION OF TAX. The board by order and without an election may abolish the sales and use tax and the excise tax. (Loc. Gov. Code, Sec. 376.471, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.157. USE OF TAXES. The district may use the proceeds from the sales and use tax and the excise tax only for the purposes for which the district was created. (Loc. Gov. Code, Secs. 376.462(a) (part), 376.466(b) (part), 376.472, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.158. EFFECTIVE DATE OF TAX OR TAX CHANGE. The adoption of a tax rate or a change in the tax rate takes effect after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.159. AD VALOREM TAX PROHIBITED. The district may not impose an ad valorem tax on property in the district. (Loc. Gov. Code, Sec. 376.462(c), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.160. FEES; CHARGES. The district may:

(1) establish and collect user fees, concession fees, admission fees, rental fees, or other similar fees or charges; and

(2) apply the proceeds from those fees or charges for the enjoyment, sale, rental, or other use of the district's facilities, services, or improvement projects. (Loc. Gov. Code, Sec. 376.462(a) (part), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.161. BORROWING MONEY. The district may borrow money for the corporate purposes of the district. (Loc. Gov. Code, Sec. 376.462(a) (part), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.162. PAYMENT OF EXPENSES. The district may provide or secure the payment or repayment of any district expense, including:

(1) a district cost relating to an improvement project;

(2) a district contractual obligation or indebtedness, because of a lease, installment purchase contract, or other agreement; or

(3) a tax, user fee, concession fee, rental fee, or other revenue or resources of the district. (Loc. Gov. Code, Sec. 376.462(a) (part), as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.163. BONDS. (a) The board may issue bonds as provided by Subchapter J, Chapter 375, Local Government Code.

(b) In addition to the sources described in Subchapter J, Chapter 375, Local Government Code, bonds issued by the district may be secured and made payable, in whole or in part, by a pledge of any part of the net proceeds the district receives from a specified portion of not more than one-half of the district's maximum sales and use tax amount authorized under Section 3813.152.

(c) Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section. (Loc. Gov. Code, Sec. 376.474, as added Acts 77th Leg., R.S., Ch. 1371.)

[Sections 3813.164-3813.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3813.201. DISSOLUTION BY BOARD ORDER. The board by order may dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.202. DISSOLUTION BY PETITION OF OWNERS. (a) The board by order shall dissolve the district if the board receives a written petition signed by 75 percent or more of the individuals who own real property in the district.

(b) After the date the district is dissolved, the district may not impose taxes.

(c) If on the date the district is dissolved the district has outstanding liabilities, the board shall, not later than the 30th day after the date of dissolution, adopt a resolution certifying each outstanding liability. Harris County shall assume the outstanding liabilities and shall collect the sales and use tax for the district for the remainder of the calendar year. Harris

County may continue to collect the tax for an additional calendar year if the commissioners court of the county finds that the tax revenue is needed to retire the district liabilities that were assumed by the county.

(d) The district may continue to operate for a period not to exceed two months after performing its duties under Subsection (c). The district is continued in effect for the purpose of performing those duties.

(e) If the district is continued in effect under Subsection (d), the district is dissolved entirely on the first day of the month following the month in which the board certifies to the secretary of state that the district has fully performed its duties under Subsection (c). (Loc. Gov. Code, Sec. 376.477, as added Acts 77th Leg., R.S., Ch. 1371.)

Sec. 3813.203. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. (a) After the date the board orders the dissolution of the district, the board shall transfer ownership of all district property to Harris County, except as provided by Subsection (b).

(b) If, on the date on which the board orders the dissolution, more than 50 percent of the district territory is in a municipality, the board shall transfer ownership of the district's property to the municipality. (Loc. Gov. Code, Sec. 376.478, as added Acts 77th Leg., R.S., Ch. 1371.)

CHAPTER 3814. ENERGY CORRIDOR MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3814.001. DEFINITIONS

Sec. 3814.002. ENERGY CORRIDOR MANAGEMENT DISTRICT

Sec. 3814.003. PURPOSE; DECLARATION OF INTENT

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Sec. 3814.005. DISTRICT TERRITORY

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[Sections 3814.008-3814.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3814.051. BOARD OF DIRECTORS

Sec. 3814.052. APPOINTMENT OF VOTING DIRECTORS

Sec. 3814.053. NONVOTING DIRECTORS

Sec. 3814.054. TERMS

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Sec. 3814.057. INITIAL DIRECTORS

[Sections 3814.058-3814.100 reserved for expansion]

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Sec. 3814.101. ADDITIONAL POWERS OF DISTRICT

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[Sections 3814.108-3814.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3814.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS

Sec. 3814.152. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3814.153. MAINTENANCE TAX

Sec. 3814.154. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3814.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3814.156. OBLIGATIONS

Sec. 3814.157. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

Sec. 3814.158. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3814.159-3814.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3814.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3814. ENERGY CORRIDOR MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3814.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Energy Corridor Management District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.002. ENERGY CORRIDOR MANAGEMENT DISTRICT. The Energy Corridor Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.003. PURPOSE; DECLARATION OF INTENT. (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.

(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 area of the district.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided, as of June 16, 2001, to the area in the district. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Sec. 376.452, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Chapter 1376, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section

376.454, Local Government Code, as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The boundaries and field notes of the district contained in Chapter 1376, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, 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 a purpose 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. (Loc. Gov. Code, Sec. 376.455, as added Acts 77th Leg., R.S., Ch. 1376; New.)

Sec. 3814.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.457, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1376.)

[Sections 3814.008-3814.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 3814.051. BOARD OF DIRECTORS. The district is

governed by a board of:

(1) nine voting directors appointed under Section 3814.052; and

(2) nonvoting directors as provided by Section 3814.053. (Loc. Gov. Code, Sec. 376.459(a), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.052. APPOINTMENT OF VOTING DIRECTORS. (a) The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint that person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors residing in the City of Houston. (Loc. Gov. Code, Sec. 376.460, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.053. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) the director of the engineering division of the Harris County department of public infrastructure;

(4) Harris County's general manager of the Metropolitan Transit Authority of Harris County, Texas;

(5) the president of each institution of higher learning located in the district; and

(6) the Houston district engineer for the Texas Department of Transportation.

(b) If an agency, department, or division described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed agency, department, or division as a nonvoting director. If an agency, department, or division described by Subsection (a) is abolished, the board may appoint a representative of another agency, department, or division that performs duties comparable to those performed by the abolished entity. (Loc. Gov. Code, Sec. 376.461, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.054. TERMS. The voting directors serve staggered terms of four years, with four directors' terms expiring June 1 of an odd-numbered year and five directors' terms expiring June 1 of the following odd-numbered year. (Loc. Gov. Code, Sec. 376.459(b), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.055. COMPENSATION. A voting director may receive compensation as provided by Section 49.060, Water Code. (Loc. Gov. Code, Sec. 376.459(c), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.056. CONFLICTS OF INTEREST. (a) Except as provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest for directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a

business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.462, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.057. INITIAL DIRECTORS. (a) The initial board consists of the following persons:

Pos. No.	Name of Director
1	Robert Becker
2	Tom Blackwell
3	Lynn Grafing
4	Rick Rice
5	David W. Hightower
6	Mike Turner

7 Ned Holmes

8 Roger H. Hord

9 Cathy Wining

(b) The terms of the initial directors appointed for positions 1 through 5 expire June 1, 2005, and the terms of the initial directors appointed for positions 6 through 9 expire June 1, 2003.

(c) Section 3814.052 does not apply to this section.

(d) This section expires September 1, 2006. (Loc. Gov. Code, Sec. 376.477, as added Acts 77th Leg., R.S., Ch. 1376.)

[Sections 3814.058-3814.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3814.101. ADDITIONAL POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); and

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Sec. 376.464, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.102. 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 for purposes of

this chapter to be a local government corporation created under 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 Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.466, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

(b) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.465(a), (b), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston to provide law enforcement services in the district for a fee. (Loc. Gov. Code, Sec. 376.465(c), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, applies to the district only for a contract that has a value of more than $25,000. (Loc. Gov. Code, Sec. 376.475, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.106. APPROVAL BY CITY OF HOUSTON. (a) Except as

provided by Subsection (b), the district must obtain approval from the City of Houston's governing body:

(1) for the issuance of bonds for each improvement project;

(2) of the plans and specifications of the improvement project financed by the bond; and

(3) of the plans and specifications of an improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.473(a), (b), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.107. ELECTRONIC TRANSMISSIONS. (a) The district may acquire, operate, or charge fees for the use of district conduits for:

(1) another person's:

(A) telecommunications network;

(B) fiber-optic cable; or

(C) electronic transmission line; or

(2) any other type of transmission line or supporting facility.

(b) The district may not require a person to use a district conduit. (Loc. Gov. Code, Sec. 376.463, as added Acts 77th Leg., R.S., Ch. 1376.)

[Sections 3814.108-3814.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3814.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.467, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.152. 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. (Loc. Gov. Code, Sec. 376.474, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3814.158, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the

improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(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. (Loc. Gov. Code, Sec. 376.470, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND

ASSESSMENTS. The district may not impose an impact fee or assessment on the property, including the equipment, rights-of-way, facilities, or improvements, of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code; or

(3) a person that provides to the public cable television or advanced services. (Loc. Gov. Code, Sec. 376.471, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.156. OBLIGATIONS. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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. (Loc. Gov. Code, Sec. 376.472, as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.157. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Loc. Gov. Code, Sec. 376.473(c), as added Acts 77th Leg., R.S., Ch. 1376.)

Sec. 3814.158. ELECTIONS REGARDING TAXES OR

BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election. (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 1376.)

[Sections 3814.159-3814.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3814.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 1376.)

CHAPTER 3815. GREATER SOUTHEAST MANAGEMENT DISTRICT

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Sec. 3815.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON

Sec. 3815.159. ELECTIONS REGARDING TAXES OR BONDS

[Sections 3815.160-3815.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3815.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3815. GREATER SOUTHEAST MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3815.001. DEFINITIONS. In this subchapter:

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

(2) "District" means the Greater Southeast Management District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.002. GREATER SOUTHEAST MANAGEMENT DISTRICT. A special district known as the "Greater Southeast Management District" is a political subdivision of this state. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.003. PURPOSE; DECLARATION OF INTENT. (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 Harris County, the City of Houston, and other political subdivisions to

contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the southeast area of the city of Houston.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from providing the level of services provided as of June 17, 2001, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.451(c), 376.452, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide money to preserve, maintain, and enhance the economic health and vitality of the district as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1476,

Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3815.105 or its predecessor statute, former Section 376.479, Local Government Code, as added by Chapter 1476, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1476, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, and validity;

(2) the district's right to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on the bond;

(3) the district's right to impose and collect an assessment or tax; or

(4) the legality or operation of the district or the board. (Loc. Gov. Code, Sec. 376.455, as added Acts 77th Leg., R.S., Ch. 1476; New.)

Sec. 3815.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees. (Loc. Gov. Code, Secs. 376.457, 376.461 (part), as added Acts 77th

Leg., R.S., Ch. 1476.)

Sec. 3815.007. RELATION TO OTHER LAW. This chapter prevails over any provision of general law, including a law to which this chapter refers, that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.466 (part), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1476.)

[Sections 3815.009-3815.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3815.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of 21 directors who serve staggered terms of four years, with 10 directors' terms expiring June 1 of an odd-numbered year and 11 directors' terms expiring June 1 of the following odd-numbered year.

(b) The board by resolution may increase or decrease the number of directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 30; or

(2) decrease the number of directors to fewer than 9. (Loc. Gov. Code, Sec. 376.459(a), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint

directors from persons recommended by the board who meet the qualifications prescribed by Subchapter D, Chapter 375, Local Government Code. (Loc. Gov. Code, Sec. 376.460 (part), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the directors of the parks and recreation, planning and development, public works, and civic center departments of the City of Houston;

(2) the chief of police of the City of Houston;

(3) the general manager of the Metropolitan Transit Authority of Harris County, Texas; and

(4) the president of each institution of higher learning located in the district.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting ex officio director. If a department described by Subsection (a) is abolished, the board may appoint as a director a representative of another department of the City of Houston that performs duties comparable to those performed by the abolished department.

(c) The board may appoint the presiding officer of a nonprofit corporation actively involved in activities in the southeast area of the city of Houston to serve as a nonvoting ex officio director. (Loc. Gov. Code, Sec. 376.463, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.054. CONFLICTS OF INTEREST. (a) Except as

provided by this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of directors.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity; or

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.464, as added Acts 77th Leg., R.S., Ch. 1476.)

[Sections 3815.055-3815.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3815.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers given to a corporation under Section 4B, the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), and the power to own, operate, acquire, construct, lease, improve, and maintain projects; and

(3) the powers given to a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation

Code. (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.103. CONTRACTS; GRANTS; DONATIONS. (a) To protect the public interest, the district may contract with Harris County or the City of Houston for the county or city to provide law enforcement services in the district for a fee.

(b) Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this subsection may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of revenue that may be available for that project or service; or

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(c) The district may enter into a contract, lease, or other agreement with or make or accept a grant or loan to or from, or accept donations from, any person, including:

(1) the United States;

(2) this state or a state agency;

(3) any political subdivision of this state; or

(4) a public or private corporation, including a nonprofit corporation created by the board under this subchapter.

(d) The district may perform all acts necessary for the full exercise of the powers vested in the district on terms and for the period the board determines advisable.

(e) The implementation of a project is a governmental function or service for purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.477, 376.480, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.104. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less. (Loc. Gov. Code, Sec. 376.478, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.105. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Houston under Chapter 311, Tax Code, if the city's governing body consents to the annexation. (Loc. Gov. Code, Sec. 376.479, as added Acts 77th Leg., R.S., Ch. 1476.)

[Sections 3815.106-3815.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3815.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent

certified tax appraisal roll for Harris County; or

(2) at least 50 owners of land in the district, if more than 50 persons own property in the district according to the most recent certified tax appraisal roll for Harris County. (Loc. Gov. Code, Sec. 376.467, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.152. 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. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.153. BOARD VOTE REQUIRED TO IMPOSE TAXES, ASSESSMENTS, OR IMPACT FEES. The imposition of a tax, assessment, or impact fee requires a vote of a majority of the directors serving. (Loc. Gov. Code, Sec. 376.459(b) (part), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.154. AUTHORITY TO IMPOSE TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter. (Loc. Gov. Code, Sec. 376.461 (part), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.155. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3815.159, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the

improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.475, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.156. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(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 correct, add to, or delete assessments from its assessment rolls after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code. (Loc. Gov. Code,

Secs. 376.461 (part), 376.471, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.157. PROPERTY EXEMPT FROM TAXES, IMPACT FEES, AND ASSESSMENTS. (a) The district may not impose a tax, impact fee, or assessment on a residential property or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a person who provides to the public cable television, gas, light, power, telephone, sewage, or water service. (Loc. Gov. Code, Sec. 376.472, as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.158. OBLIGATIONS; APPROVAL BY CITY OF HOUSTON. (a) The district may issue bonds or other obligations payable in whole or in part from ad valorem taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(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) Except as provided by Subsection (d), the district must obtain the approval of the City of Houston:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project to be financed by the bond; and

(3) of the plans and specifications of a district improvement project related to:

(A) the use of land owned by the City of Houston;

(B) an easement granted by the City of Houston; or

(C) a right-of-way of a street, road, or highway.

(d) If the district obtains the approval of the City of Houston of a capital improvements budget for a specified period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code, Secs. 376.470(a), (b) (part), (c), (d), as added Acts 77th Leg., R.S., Ch. 1476.)

Sec. 3815.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may submit multiple purposes in a single proposition at an election. (Loc. Gov. Code, Sec. 376.473, as added Acts 77th Leg., R.S., Ch. 1476.)

[Sections 3815.160-3815.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3815.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING

DEBT. If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its bonds or other obligations according to their terms. (Loc. Gov. Code, Sec. 376.476 (part), as added Acts 77th Leg., R.S., Ch. 1476.)

CHAPTER 3816. FRISCO SQUARE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3816.001. DEFINITIONS

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[Sections 3816.161-3816.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3816.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3816. FRISCO SQUARE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3816.001. DEFINITIONS. In this subchapter:

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

(2) "District" means the Frisco Square Management District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.002. FRISCO SQUARE MANAGEMENT DISTRICT. The Frisco Square Management District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.003. PURPOSE; DECLARATION OF INTENT. (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 Collin County, the City of Frisco, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the City of Frisco's central business area.

(c) This chapter and the creation of the district may not be interpreted to relieve Collin County or the City of Frisco from providing the level of services provided as of September 1, 2001, to

the area in the district or to release the county or city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the city services provided in the area in the district. (Loc. Gov. Code, Secs. 376.451(c), 376.452, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) Each improvement project or service authorized by this chapter is essential to carry out a public purpose and will benefit:

(1) all land and property in the district;

(2) the employees, employers, and consumers of the district; and

(3) the public.

(e) The district will:

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

(2) provide needed funding for the City of Frisco's central business area extension to the west to:

(A) preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

(B) provide a government center for the city;

(3) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public by providing, maintaining, and operating:

(A) attractive, safe, and convenient street and road improvements;

(B) off-street parking facilities; and

(C) necessary water, sewer, and drainage facilities to serve the area within the district; and

(4) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, parks, and off-street parking and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

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

improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3816.107 or its predecessor statute, former Section 376.466, Local Government Code, as added by Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, 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 or other obligation for a purpose for which the district is created or to pay the principal of and interest on the bond;

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

(4) legality or operation. (Loc. Gov. Code, Sec.

376.455, as added Acts 77th Leg., R.S., Ch. 1384; New.)

Sec. 3816.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

(1) a tax increment reinvestment zone created by the City of Frisco under Chapter 311, Tax Code; or

(2) a tax abatement reinvestment zone created by the City of Frisco under Chapter 312, Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the City of Frisco under Chapter 2303, Government Code. (Loc. Gov. Code, Sec. 376.463(f), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district, the board, and district employees. (Loc. Gov. Code, Sec. 376.457(a), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.008. RELATION TO OTHER LAW. This chapter prevails over a law to which this chapter refers that is in conflict with or is inconsistent with this chapter. (Loc. Gov. Code, Sec. 376.457(b) (part), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1384.)

[Sections 3816.010-3816.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3816.051. BOARD OF DIRECTORS. The district is governed by a board of five directors appointed under Section 3816.052 and three directors serving ex officio under Section 3816.053. (Loc. Gov. Code, Sec. 376.459(a) (part), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.052. APPOINTED DIRECTORS. (a) The governing body of the City of Frisco shall appoint directors who meet the qualifications of Subchapter D, Chapter 375, Local Government Code.

(b) The appointed directors serve staggered terms of four years, with two directors' terms expiring July 1 of an odd-numbered year and three directors' terms expiring July 1 of the following odd-numbered year.

(c) Notwithstanding the common law doctrine of incompatibility, members of the governing body of the City of Frisco may be appointed to the board. The term of a director who is also a member of the governing body of the City of Frisco expires when the member's term on the governing body expires. The person may be reappointed to the board to complete the unexpired term on the board.

(d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the directors residing in the City of Frisco.

(e) The governing body of the City of Frisco shall appoint a director to fill a vacancy that occurs on the board.

(f) District directors are public officials entitled to governmental immunity for their official actions. (Loc. Gov. Code,

Secs. 376.459(a) (part), 376.460(a), (b), (c), (d), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

(1) the manager of the City of Frisco;

(2) the financial director of the City of Frisco; and

(3) the planning director of the City of Frisco.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the City of Frisco may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a). (Loc. Gov. Code, Sec. 376.461, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3816.053 or this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity;

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit; or

(3) the director is a property owner in the district.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code. (Loc. Gov. Code, Sec. 376.462, as added Acts 77th Leg., R.S., Ch. 1384.)

[Sections 3816.055-3816.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3816.101. DISTRICT POWERS. (a) The district has all powers necessary to accomplish the purposes for which the district was created.

(b) The district may exercise the powers given to:

(1) a corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes); or

(2) a housing finance corporation created under Chapter 394, Local Government Code, to provide housing or residential development projects in the district. (Loc. Gov. Code, Secs. 376.463(a), (b), (c), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.465, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.103. AGREEMENTS; GRANTS; DONATIONS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) A municipality, county, or other political subdivision of this state, without further authorization, may contract with the district for:

(1) the acquisition, construction, improvement, implementation, maintenance, and operation of a district project; or

(2) the provision of a service authorized under this

chapter.

(c) A contract under Subsection (b) may:

(1) be for a period and include terms on which the parties agree;

(2) be payable from taxes or any other source of revenue that may be available for that purpose; and

(3) provide terms under which taxes or other revenues collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

(d) The implementation of a project is a governmental function or service for the purposes of Chapter 791, Government Code. (Loc. Gov. Code, Secs. 376.464(a), (b), (c), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with the City of Frisco for the city to provide law enforcement services in the district for a fee. (Loc. Gov. Code, Sec. 376.464(d), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for $25,000 or less. (Loc. Gov. Code, Sec. 376.475, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Frisco's governing body:

(1) for the issuance of a bond for each improvement

project;

(2) of the plans and specifications of an improvement project financed by the bond; and

(3) of the plans and specifications of a district improvement project related to the use of land owned by the City of Frisco, an easement granted by the City of Frisco, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Frisco's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without the further approval of the city. (Loc. Gov. Code, Secs. 376.473(a), (b), (c), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Frisco under Chapter 311, Tax Code, if the city's governing body consents to the annexation. (Loc. Gov. Code, Sec. 376.466, as added Acts 77th Leg., R.S., Ch. 1384.)

[Sections 3816.108-3816.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3816.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Collin County; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified property tax appraisal roll for Collin County. (Loc. Gov. Code, Sec. 376.467, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.152. 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. (Loc. Gov. Code, Sec. 376.474, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, on all property in the district, including industrial, commercial, or residential property, and may impose an assessment on municipal property in the district to:

(1) finance or provide an improvement or service for a project or activity this chapter authorizes the district to construct, acquire, or improve; or

(2) provide or to make a payment under a contract. (Loc. Gov. Code, Sec. 376.463(d) (part), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3816.159, the district may

impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.155. CONTRACTS SECURED BY AD VALOREM TAXES. A contract for which the payments are secured wholly or partly by ad valorem taxes may not be executed unless the imposition of the ad valorem taxes to secure the payment of the contract is approved by a majority, or a larger percentage if constitutionally required, of the voters in the district voting at an election held for that purpose. (Loc. Gov. Code, Sec. 376.463(d) (part), as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.156. ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) The district may impose an assessment against any property of the City of Frisco in the district. Payment of an assessment by another exempt jurisdiction must be established by contract.

(c) The board may apportion the cost of an improvement project or service to be assessed against property in the district on all property in the district according to a finding of the board that the improvement project or service benefits all property in the district.

(d) The board may include two or more types of improvements and services in one assessment proceeding. The board may conduct separate assessment proceedings as the district undertakes improvement projects or the provision of services.

(e) The board may adjust annual assessments for services in accordance with an annual budget the board adopts for the provision of those services. An annual adjustment may not exceed the annual amount set forth in the original assessment proceedings except after public notice and hearing on the increase.

(f) The board, after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code, may:

(1) correct, add to, or delete assessments from its assessment rolls; and

(2) collect assessments after making the corrections, additions, or deletions. (Loc. Gov. Code, Secs. 376.463(e), 376.470, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.157. LIENS FOR ASSESSMENTS. (a) An assessment, including an assessment resulting from an addition to or correction of the assessment roll by the district, a reassessment, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

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

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

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

(b) 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. (Loc. Gov. Code, Sec. 376.471, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.158. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public. (Loc. Gov. Code, Secs. 376.453(5), 376.472, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

(c) If the district obtains the written consent of all property owners in the district to impose a maintenance tax or issue

bonds payable from ad valorem taxes or assessments, the district is exempt from the election requirement under Subsection (a) and may cancel an election called under Subsection (a). (Loc. Gov. Code, Sec. 376.468, as added Acts 77th Leg., R.S., Ch. 1384.)

Sec. 3816.160. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Loc. Gov. Code, Sec. 376.473(d), as added Acts 77th Leg., R.S., Ch. 1384.)

[Sections 3816.161-3816.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3816.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 1384.)

CHAPTER 3817. ALDINE COMMUNITY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3817.001. DEFINITIONS

Sec. 3817.002. ALDINE COMMUNITY IMPROVEMENT DISTRICT

Sec. 3817.003. PURPOSE; DECLARATION OF INTENT

Sec. 3817.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE

Sec. 3817.005. DISTRICT TERRITORY

Sec. 3817.006. APPLICABILITY OF OTHER LAW

Sec. 3817.007. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 3817.008-3817.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3817.051. BOARD OF DIRECTORS; TERMS

Sec. 3817.052. APPOINTMENT AND REMOVAL OF DIRECTORS

Sec. 3817.053. QUORUM

[Sections 3817.054-3817.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3817.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION

Sec. 3817.102. NONPROFIT CORPORATION

Sec. 3817.103. CONTRACT WITH POLITICAL SUBDIVISION

Sec. 3817.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT

Sec. 3817.105. APPROVAL BY CITY OF HOUSTON

Sec. 3817.106. ANNEXATION OF CERTAIN TERRITORY BY GOVERNING BODY OF MUNICIPALITY

[Sections 3817.107-3817.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3817.151. DISBURSEMENTS AND TRANSFERS OF MONEY

Sec. 3817.152. BOARD VOTE REQUIRED TO AUTHORIZE TAXES, ASSESSMENTS, IMPACT FEES, OR BONDS

Sec. 3817.153. MAINTENANCE TAX

Sec. 3817.154. SALES AND USE TAX

Sec. 3817.155. ASSESSMENTS; LIENS FOR ASSESSMENTS

Sec. 3817.156. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS

Sec. 3817.157. ELECTIONS REGARDING TAXES OR BONDS

Sec. 3817.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS

[Sections 3817.159-3817.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3817.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT

CHAPTER 3817. ALDINE COMMUNITY IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3817.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Aldine Community Improvement District. (Loc. Gov. Code, Secs. 376.453(1), (3), as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.002. ALDINE COMMUNITY IMPROVEMENT DISTRICT. The Aldine Community Improvement District is a special district created under Section 59, Article XVI, Texas Constitution. (Loc. Gov. Code, Sec. 376.451(a), as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.003. PURPOSE; DECLARATION OF INTENT. (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.

(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 Aldine Community area of Harris County.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County from providing the level of services provided as of June 17, 2001, to the area in the district or to release the county from the obligations of the county to provide services to that area. The district is created to supplement and not to supplant the county services provided in the area in the district. (Loc. Gov. Code, Sec. 376.452, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.004. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(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 Aldine Community area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

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

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

(f) 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. (Loc. Gov. Code, Sec. 376.456, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1433, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3817.106 or its predecessor statute, former Section 376.476, Local Government Code, as added by Section 1, Chapter 1433, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1433, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation. (Loc. Gov. Code, Sec. 376.455, as added Acts 77th Leg., R.S., Ch. 1433; New.)

Sec. 3817.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. (Loc. Gov. Code, Sec. 376.457, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. (Loc. Gov. Code, Sec. 376.458, as added Acts 77th Leg., R.S., Ch. 1433.)

[Sections 3817.008-3817.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3817.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years with four or five directors' terms

expiring June 1 of each odd-numbered year.

(b) One director must be a resident of the district.

(c) The board by resolution may change the number of directors on the board, but only if the board determines that the change is in the best interest of the district, subject to Section 375.061, Local Government Code. (Loc. Gov. Code, Sec. 376.459, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.052. APPOINTMENT AND REMOVAL OF DIRECTORS. Sections 375.064 and 375.065, Local Government Code, govern the appointment and removal of directors, except that for purposes of this chapter references in those sections to the governing body of the municipality mean the commissioners court of Harris County. (Loc. Gov. Code, Sec. 376.460, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.053. QUORUM. (a) Section 375.071, Local Government Code, does not apply to the district.

(b) One-half of the board constitutes a quorum.

(c) Except as provided by Section 3817.152, a concurrence of a majority of a quorum is required for any official district action. (Loc. Gov. Code, Sec. 376.461, as added Acts 77th Leg., R.S., Ch. 1433.)

[Sections 3817.054-3817.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3817.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Section 4B, Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes). (Loc. Gov. Code,

Sec. 376.463, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the same conditions as the board of directors of a local government corporation created under Chapter 431, Transportation Code. (Loc. Gov. Code, Sec. 376.466, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.103. CONTRACT WITH POLITICAL SUBDIVISION. Harris County, the City of Houston, or another political subdivision of this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this section may:

(1) be for a period on which the parties agree;

(2) include terms on which the parties agree;

(3) be payable from taxes or any other source of

revenue that may be available for that project or service; and

(4) provide terms under which taxes or other revenue collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district. (Loc. Gov. Code, Sec. 376.465, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee. (Loc. Gov. Code, Sec. 376.464, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of the improvement project financed by the bond; and

(3) of the plans and specifications of any district improvement project related to the use of land owned by Harris County, an easement granted by Harris County, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Houston's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without further approval from the City of Houston. (Loc. Gov. Code,

Secs. 376.468(a), (b), (c), as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.106. ANNEXATION OF CERTAIN TERRITORY BY GOVERNING BODY OF MUNICIPALITY. (a) If territory in the City of Houston's limit or extraterritorial jurisdiction is included in the district, the city's governing body may remove that territory from the district if the district does not have any bonded indebtedness.

(b) To remove the territory, the governing body of the City of Houston must notify the board secretary in writing that the territory is excluded from the district's territory.

(c) If a municipality annexes territory that is in its extraterritorial jurisdiction and included in the district, the governing body of the municipality shall notify the board secretary in writing that the annexed territory is excluded from the district's territory. (Loc. Gov. Code, Sec. 376.476, as added Acts 77th Leg., R.S., Ch. 1433.)

[Sections 3817.107-3817.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3817.151. 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. (Loc. Gov. Code, Sec. 376.467, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.152. BOARD VOTE REQUIRED TO AUTHORIZE TAXES, ASSESSMENTS, IMPACT FEES, OR BONDS. (a) A majority vote of the directors serving is required to authorize the imposition of a tax, assessment, or impact fee.

(b) The written consent of at least two-thirds of the full membership of the board is required to authorize the issuance of a bond. (Loc. Gov. Code, Sec. 376.462, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3817.157, the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

(b) The board shall determine the tax rate. (Loc. Gov. Code, Sec. 376.471, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.154. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.

(c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a

result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect. (Loc. Gov. Code, Sec. 376.470, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

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

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

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

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

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property. (Loc. Gov. Code, Sec. 376.469, as added Acts 77th Leg., R.S., Ch.

1433.)

Sec. 3817.156. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. (a) In this section:

(1) "Electric utility" and "power generation company" have the meanings assigned by Section 31.002, Utilities Code.

(2) "Gas utility" has the meaning assigned by Sections 101.003 and 121.001, Utilities Code.

(3) "Telecommunications provider" has the meaning assigned by Section 51.002, Utilities Code.

(b) The district may not impose an impact fee or assessment under Chapter 375, Local Government Code, on a residential property, including a multiunit residential property, or a condominium.

(c) The district may not impose an impact fee or assessment on the property of an electric utility, gas utility, power generation company, or telecommunications provider. (Loc. Gov. Code, Sec. 376.473, as added Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.157. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

(1) impose a maintenance tax; or

(2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election. (Loc. Gov. Code, Sec. 376.472, as added

Acts 77th Leg., R.S., Ch. 1433.)

Sec. 3817.158. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district. (Loc. Gov. Code, Sec. 376.468(d), as added Acts 77th Leg., R.S., Ch. 1433.)

[Sections 3817.159-3817.200 reserved for expansion]

SUBCHAPTER E. DISSOLUTION

Sec. 3817.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged. (Loc. Gov. Code, Sec. 376.475, as added Acts 77th Leg., R.S., Ch. 1433.)

[Chapters 3818-5000 reserved for expansion]

TITLE 5. TRANSPORTATION

SUBTITLE A. NAVIGATION DISTRICTS AND PORT AUTHORITIES

CHAPTER 5001. ARANSAS COUNTY NAVIGATION DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5001.001. DEFINITION

Sec. 5001.002. NATURE OF DISTRICT

Sec. 5001.003. DISTRICT TERRITORY

Sec. 5001.004. GOVERNANCE OF DISTRICT

[Sections 5001.005-5001.050 reserved for expansion]

SUBCHAPTER B. DISTRICT PROMOTION AND DEVELOPMENT FUND

Sec. 5001.051. DEFINITIONS
Sec. 5001.052. AUTHORITY TO CREATE FUND
Sec. 5001.053. LIMITATION ON DEPOSITS TO FUND
Sec. 5001.054. SEPARATE FUND
Sec. 5001.055. AUTHORIZED EXPENDITURES OF MONEY IN FUND
Sec. 5001.056. CONTROL OVER FUND AND EXPENDITURES
Sec. 5001.057. DUTIES OF COUNTY AUDITOR IN RELATION TO FUND
Sec. 5001.058. EFFECT OF FUND ON OTHER EXPENDITURES

CHAPTER 5001. ARANSAS COUNTY NAVIGATION DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 5001.001. DEFINITION. In this chapter, "district" means the Aransas County Navigation District No. 1. (New.)

Sec. 5001.002. NATURE OF DISTRICT. The district is a navigation district operating under Section 59, Article XVI, Texas Constitution. (Acts 51st Leg., R.S., Ch. 213, Sec. 1 (part).)

Sec. 5001.003. DISTRICT TERRITORY. The district is composed of all the territory in Aransas County, unless the district territory is modified under:

(1) Section 3 or 3a, Chapter 103, Acts of the 41st Legislature, 1st Called Session, 1929 (Article 8263a, Vernon's Texas Civil Statutes), after May 14, 1949, and before August 30, 1971;

(2) Subchapter H, Chapter 62, Water Code; or

(3) other law. (Acts 51st Leg., R.S., Ch. 213, Sec. 1 (part); New.)

Sec. 5001.004. GOVERNANCE OF DISTRICT. The district is governed by Chapter 62, Water Code, and all statutes relating to a navigation district created under that chapter. (Acts 51st Leg., R.S., Ch. 213, Sec. 1 (part).)

[Sections 5001.005-5001.050 reserved for expansion]

SUBCHAPTER B. DISTRICT PROMOTION AND DEVELOPMENT FUND

Sec. 5001.051. DEFINITIONS. In this subchapter:

(1) "Commission" means the navigation and canal commission of the district.

(2) "Fund" means a promotion and development fund created by the district. (New.)

Sec. 5001.052. AUTHORITY TO CREATE FUND. The district may create a promotion and development fund. (Acts 51st Leg., R.S., Ch. 213, Sec. 4A (part).)

Sec. 5001.053. LIMITATION ON DEPOSITS TO FUND. The district may deposit to the credit of the fund not more than five percent of its gross income from operations in a calendar year. (Acts 51st Leg., R.S., Ch. 213, Sec. 4A (part).)

Sec. 5001.054. SEPARATE FUND. (a) Money in the promotion and development fund shall be kept separate from all other funds and accounts of the district.

(b) Money derived from the imposition of taxes may not be deposited to the credit of the fund. (Acts 51st Leg., R.S., Ch. 213, Sec. 4C(a).)

Sec. 5001.055. AUTHORIZED EXPENDITURES OF MONEY IN FUND. Money in the fund may be spent by the commission, or as the commission may direct, to pay any expense connected with:

(1) an activity or matter incidental to the advertising, development, or promotion of the district or a port, waterway, harbor, or terminal of the district;

(2) the furtherance of the general welfare of the district or a facility of the district; or

(3) the improvement of the district's relations with a steamship or rail line, a shipper, a consignee of freight, a government official, or another person interested or thought to be interested in a port, waterway, harbor, or terminal of the district. (Acts 51st Leg., R.S., Ch. 213, Sec. 4B.)

Sec. 5001.056. CONTROL OVER FUND AND EXPENDITURES. The commission:

(1) has exclusive control over the fund; and

(2) is fully responsible for auditing, approving, and safeguarding each expenditure of money from the fund. (Acts 51st Leg., R.S., Ch. 213, Sec. 4C(b).)

Sec. 5001.057. DUTIES OF COUNTY AUDITOR IN RELATION TO FUND. (a) The county auditor shall exercise the auditor's usual supervision and control to ensure that the commission complies with Section 5001.053.

(b) The county auditor may not audit expenditures from the fund but is entitled to receive a monthly statement that shows with respect to each expenditure:

(1) the date of the expenditure;

(2) the amount of the expenditure;

(3) the person or entity who received the expenditure; and

(4) the general purpose of the expenditure. (Acts 51st Leg., R.S., Ch. 213, Sec. 4C(c).)

Sec. 5001.058. EFFECT OF FUND ON OTHER EXPENDITURES. The creation of the fund or an expenditure of money from the fund does not affect the payment of any expense that is customarily approved, audited, or paid out of the regular funds of the district. (Acts 51st Leg., R.S., Ch. 213, Sec. 4D (part).)

[Chapters 5002-5200 reserved for expansion]

SUBTITLE B. ROAD AND ROAD UTILITY DISTRICTS

[Chapters 5201-6600 reserved for expansion]

TITLE 6. WATER AND WASTEWATER

SUBTITLE A. DRAINAGE DISTRICTS

CHAPTER 6601. ANGLETON DRAINAGE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6601.001. DEFINITIONS

Sec. 6601.002. NATURE OF DISTRICT

Sec. 6601.003. LEGISLATIVE FINDINGS

Sec. 6601.004. DISTRICT TERRITORY

[Sections 6601.005-6601.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 6601.051. BOARD OF DIRECTORS

Sec. 6601.052. BALLOT APPLICATION DEADLINE

Sec. 6601.053. QUALIFICATIONS

Sec. 6601.054. MEETINGS

Sec. 6601.055. ADDITIONAL DIRECTORS

Sec. 6601.056. SPECIAL ELECTION

[Sections 6601.057-6601.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6601.101. POWERS AND DUTIES

Sec. 6601.102. DISTRICT POWERS

Sec. 6601.103. EMINENT DOMAIN

Sec. 6601.104. COST OF RELOCATING PROPERTY

Sec. 6601.105. ADDITION OF TERRITORY TO DISTRICT

Sec. 6601.106. MOSQUITO HAZARD

Sec. 6601.107. AWARD OF CONTRACTS

[Sections 6601.108-6601.150 reserved for expansion]

SUBCHAPTER D. BONDS AND TAXES

Sec. 6601.151. LIMITATION ON DEBT

Sec. 6601.152. APPROVAL BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Sec. 6601.153. CONTINUATION OF PREVIOUS MAINTENANCE TAX

Sec. 6601.154. DISTRICT TAX ASSESSOR AND COLLECTOR

CHAPTER 6601. ANGLETON DRAINAGE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6601.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Angleton Drainage District. (New.)

Sec. 6601.002. NATURE OF DISTRICT. (a) The Angleton Drainage District is a conservation and reclamation district re-created under Section 59, Article XVI, Texas Constitution, for the reclamation and drainage of the district's overflowed lands and

other lands needing drainage.

(b) The district is a municipal corporation. (Acts 57th Leg., 3rd C.S., Ch. 43, Secs. 1 (part), 2 (part), 12 (part).)

Sec. 6601.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) all land and other property included in the district is, and will be, benefited by the district and by the improvements the district will purchase, construct, or otherwise acquire;

(2) the district is created to serve a public use and benefit; and

(3) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (Acts 57th Leg., 3rd C.S., Ch. 43, Secs. 10, 12 (part).)

Sec. 6601.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 9, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930, as referenced by Section 1, Chapter 43, Acts of the 57th Legislature, 3rd Called Session, 1962, as that territory may have been modified under:

(1) Section 6601.105 or its predecessor statute, Section 11, Chapter 43, Acts of the 57th Legislature, 3rd Called Session, 1962;

(2) Chapter 4, Title 128, Revised Statutes, before August 30, 1971;

(3) Subchapter G, Chapter 53, Water Code, before September 1, 1995;

(4) Subchapter J, Chapter 49, Water Code; or

(5) other law. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 1 (part); New.)

[Sections 6601.005-6601.050 reserved for expansion]

SUBCHAPTER B. DISTRICT BOARD OF DIRECTORS

Sec. 6601.051. BOARD OF DIRECTORS. The board consists of three directors. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 3 (part).)

Sec. 6601.052. BALLOT APPLICATION DEADLINE. An application for a place on the ballot for a directors election must be filed with the secretary of the district not later than the 30th day before the date of the election. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 3 (part).)

Sec. 6601.053. QUALIFICATIONS. A candidate for director must:

(1) be more than 21 years of age; and

(2) own land subject to taxation in the district. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 3 (part).)

Sec. 6601.054. MEETINGS. The board shall meet at:

(1) the Angleton City Hall at 7:30 p.m. on the first Tuesday in February, May, August, and November of each year; or

(2) other times and places as decided by the board. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 3 (part).)

Sec. 6601.055. ADDITIONAL DIRECTORS. (a) If territory is added to the district and the board considers it advisable, the size of the board may be increased to not more than five directors.

(b) If the size of the board is increased, the board shall appoint the appropriate number of qualified persons to serve as

directors until successor directors are elected at the next regular election of directors. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 4.)

Sec. 6601.056. SPECIAL ELECTION. (a) If the number of directors is reduced to one, the remaining director shall call a special election to fill the vacancies. If the remaining director fails to call the special election before the 16th day after the date the vacancies occur, the county judge of Brazoria County may order a special election on petition of any resident of the district.

(b) The election shall be conducted and notice shall be given in the manner provided by Section 49.106, Water Code, for bond elections of the district. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 3 (part).)

[Sections 6601.057-6601.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 6601.101. POWERS AND DUTIES. (a) To accomplish the purposes of Section 6601.002(a), the district has all the rights, powers, privileges, and duties conferred and imposed by general law on fresh water supply districts created under Section 59, Article XVI, Texas Constitution, including the power to conserve, transport, and distribute fresh water.

(b) This chapter prevails over a general law described by Subsection (a) that conflicts or is inconsistent with this chapter. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.102. DISTRICT POWERS. (a) The district may construct, acquire, improve, enlarge, extend, repair, maintain, or replace all walls, dams, dikes, levees, embankments, canals,

drains, tanks, laterals, and pumps that the board considers necessary to accomplish district purposes.

(b) The district may make, construct, or otherwise acquire improvements in or outside district boundaries as necessary to implement the powers granted by this chapter and general law. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.103. EMINENT DOMAIN. (a) Not by way of limitation, the district may exercise the right of eminent domain to acquire the right-of-way over and through private land, except property used for cemetery purposes, as the board determines necessary for making the district's canals, drains, ditches, levees, and other improvements and the necessary outlets for those improvements. The power of eminent domain is limited to Brazoria County.

(b) Right-of-way in a municipality may not be condemned without the consent of the governing body of the municipality.

(c) The proceedings shall be in the name of the district and under the direction of its board.

(d) An appeal of the findings and damage assessment by the special commissioners does not suspend the work of the directors in prosecuting the work in all of its details. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.104. COST OF RELOCATING PROPERTY. (a) In this section, "sole expense" means the actual cost of relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described in Subsection (b) in providing comparable replacement without enhancement of the

facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district, in the exercise of the power of eminent domain or relocation or another power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, telephone or telegraph properties and facilities, or a pipeline, the necessary relocating, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.105. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to adding territory as provided by Subchapter J, Chapter 49, Water Code, the district may add territory as provided by this section. Territory added to the district need not be contiguous to the district.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may add the land to the district if the board considers the addition to be to the advantage of the district.

(e) A petition granted under this section shall be filed and

recorded in the deed records of Brazoria County. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 11.)

Sec. 6601.106. MOSQUITO HAZARD. (a) The legislature finds that to properly drain and reclaim overflowed lands and other lands needing drainage within the district and to restore and preserve its waters for beneficial use, it is necessary to reduce and alleviate the mosquito hazard existing in and around the lands needing drainage.

(b) The board may purchase the equipment and supplies necessary to conduct mosquito control work and may pay for the labor necessary to operate and maintain the equipment from money available for that purpose.

(c) If the board determines that an election should be held to impose a tax for mosquito control work, the tax must be:

(1) submitted to the voters in a separate proposition from any bond tax, maintenance tax, or other tax of the district considered at the same election; and

(2) authorized in the manner provided by Section 49.107, Water Code.

(d) The board may enter into a contract with a person, firm, partnership, or corporation as necessary to obtain and provide mosquito control. All available revenue accruing from the mosquito control may be used to defray the cost of the control.

(e) Section 311.005(2), Government Code (Code Construction Act), does not apply to this section. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 8; New.)

Sec. 6601.107. AWARD OF CONTRACTS. A contract for the

making or construction of a district improvement and all necessary work related to the improvement shall be awarded to the lowest responsible bidder in the manner provided by Article 7919, Revised Statutes, as amended, if the cost exceeds $2,000. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

[Sections 6601.108-6601.150 reserved for expansion]

SUBCHAPTER D. BONDS AND TAXES

Sec. 6601.151. LIMITATION ON DEBT. The total principal amount of bonds that the district may have outstanding at any time may not exceed 10 percent of the assessed value of all taxable property in the district according to the most recent certified appraisal roll of the district. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.152. APPROVAL BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. Before the district spends any money received from the sale of its bonds, the district must submit the plans and specifications of the proposed improvements to the Texas Commission on Environmental Quality for approval. If any substantial changes are made in the plans, the changes must also be submitted to the commission for approval. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 2 (part).)

Sec. 6601.153. CONTINUATION OF PREVIOUS MAINTENANCE TAX. The district may continue to levy a maintenance tax authorized by Chapter 9, Special Laws, Acts of the 41st Legislature, 4th Called Session, 1930. (Acts 57th Leg., 3rd C.S., Ch. 43, Secs. 5 (part), 9 (part).)

Sec. 6601.154. DISTRICT TAX ASSESSOR AND COLLECTOR. The

assessor and collector of taxes for Brazoria County is the assessor and collector of taxes for the district. (Acts 57th Leg., 3rd C.S., Ch. 43, Sec. 5 (part).)

[Chapters 6602-6900 reserved for expansion]

SUBTITLE B. FRESH WATER SUPPLY DISTRICTS

CHAPTER 6901. BAYVIEW MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6901.001. DEFINITIONS

Sec. 6901.002. NATURE OF DISTRICT

Sec. 6901.003. DECLARATION AND FINDINGS

Sec. 6901.004. TERRITORY OF DISTRICT

[Sections 6901.005-6901.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6901.051. GENERAL POWERS AND DUTIES

Sec. 6901.052. RELATION TO OTHER LAW

Sec. 6901.053. BOARD OF DIRECTORS

Sec. 6901.054. LIMITATION ON USE OF EMINENT DOMAIN

Sec. 6901.055. LIMITATION ON LENGTH OF CERTAIN CONTRACTS

Sec. 6901.056. INSTALLATION OF STREET LIGHTS

Sec. 6901.057. DISTRICT TAX ASSESSOR AND COLLECTOR

Sec. 6901.058. ADDITION OF TERRITORY TO DISTRICT

Sec. 6901.059. ACQUISITION OF IMPROVEMENTS

Sec. 6901.060. COST OF RELOCATING PROPERTY

CHAPTER 6901. BAYVIEW MUNICIPAL UTILITY DISTRICT OF GALVESTON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 6901.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Bayview Municipal Utility District of Galveston County, Texas. (V.A.C.S. Art. 8280-287, Sec. 1 (part); New.)

Sec. 6901.002. NATURE OF DISTRICT. The Bayview Municipal Utility District of Galveston County is:

(1) a conservation and reclamation district established under Section 59, Article XVI, Texas Constitution; and

(2) a fresh water supply district. (V.A.C.S. Art. 8280-287, Secs. 1 (part), 7 (part).)

Sec. 6901.003. DECLARATION AND FINDINGS. (a) The legislature declares that the district is:

(1) essential to the accomplishment of the purposes of Section 59, Article XVI, Texas Constitution; and

(2) a municipal corporation.

(b) The legislature finds that:

(1) the district is created to serve a public use and benefit; and

(2) all land and other property included in the district are, and will be, benefited by the creation of the district and the improvements that the district purchases, constructs, or otherwise acquires. (V.A.C.S. Art. 8280-287, Secs. 7 (part), 8.)

Sec. 6901.004. TERRITORY OF DISTRICT. The district is composed of the territory described by Section 1, Chapter 245, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S.

Art. 8280-287), as that territory may have been modified under:

(1) Section 6901.058 or its predecessor statute, Section 5, Chapter 245, Acts of the 58th Legislature, Regular Session, 1963 (V.A.C.S. Art. 8280-287);

(2) Chapter 4, Title 128, Revised Statutes, before August 30, 1971;

(3) Subchapter G, Chapter 53, Water Code, before September 1, 1995;

(4) Subchapter J, Chapter 49, Water Code; or

(5) other law. (New.)

[Sections 6901.005-6901.050 reserved for expansion]

SUBCHAPTER B. POWERS AND DUTIES

Sec. 6901.051. GENERAL POWERS AND DUTIES. The district has all the rights, powers, privileges, and duties conferred and imposed by a general law of this state on a fresh water supply district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 53, Water Code. (V.A.C.S. Art. 8280-287, Sec. 2 (part).)

Sec. 6901.052. RELATION TO OTHER LAW. This chapter prevails over a provision of a general law described by Section 6901.051 that conflicts with or is inconsistent with this chapter. (V.A.C.S. Art. 8280-287, Sec. 2 (part).)

Sec. 6901.053. BOARD OF DIRECTORS. The board consists of five directors. (V.A.C.S. Art. 8280-287, Sec. 3 (part).)

Sec. 6901.054. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the boundaries of the district. (V.A.C.S. Art. 8280-287, Sec. 2

(part).)

Sec. 6901.055. LIMITATION ON LENGTH OF CERTAIN CONTRACTS. A district contract for the purchase or sale of water may not exceed 40 years. (V.A.C.S. Art. 8280-287, Sec. 2 (part).)

Sec. 6901.056. INSTALLATION OF STREET LIGHTS. (a) After voter approval, the district may:

(1) install, operate, and maintain street lighting within a public utility easement or public right-of-way inside the district's boundaries; and

(2) assess the cost of installing, operating, and maintaining the street lighting as an additional charge in the monthly billings of the district's customers.

(b) This section does not authorize the district to install, operate, or maintain street lighting on a right-of-way that is part of the designated state highway system. (V.A.C.S. Art. 8280-287, Sec. 2A.)

Sec. 6901.057. DISTRICT TAX ASSESSOR AND COLLECTOR. (a) The board shall appoint a tax assessor and collector for the district for a period not to exceed the term of office of the directors making the appointment.

(b) The district's tax assessor and collector is not required to be a resident or voter of the district. (V.A.C.S. Art. 8280-287, Sec. 4 (part).)

Sec. 6901.058. ADDITION OF TERRITORY TO DISTRICT. (a) In addition to the method of adding territory to a district provided by Subchapter J, Chapter 49, Water Code, the district may add territory as provided by this section.

(b) The owner or owners of land may request by petition that the board include the land in the district.

(c) A petition under Subsection (b) must be filed with the board and describe the land to be added to the district. The description may be by metes and bounds or by lot and block number. The petition must be signed and executed in the manner provided by law for the conveyance of real estate.

(d) The board shall hear and consider a petition filed under this section. The board may add the land to the district if the board considers the addition to be to the advantage of the district.

(e) A petition granted under this section shall be filed and recorded in the deed records of Galveston County. (V.A.C.S. Art. 8280-287, Sec. 5.)

Sec. 6901.059. ACQUISITION OF IMPROVEMENTS. The district may make, construct, or otherwise acquire improvements inside or outside the district that are necessary or convenient to execute a power granted to the district under this chapter or a general law described in Section 6901.051. (V.A.C.S. Art. 8280-287, Sec. 2 (part).)

Sec. 6901.060. COST OF RELOCATING PROPERTY. (a) In this section "sole expense" means the actual cost of the relocating, raising, lowering, rerouting, changing the grade of, or altering the construction of a facility described in Subsection (b) in providing comparable replacement without enhancement of the facility, after deducting from that cost the net salvage value of the old facility.

(b) If the district, in the exercise of the power of eminent

domain or relocation or another power granted under this chapter, makes necessary the relocating, raising, rerouting, changing the grade of, or altering the construction of a highway, a railroad, an electric transmission line, telephone or telegraph properties and facilities, or a pipeline, the necessary relocating, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district. (V.A.C.S. Art. 8280-287, Sec. 2 (part).)

[Chapters 6902-7200 reserved for expansion]

SUBTITLE C. SPECIAL UTILITY DISTRICTS

[Chapters 7201-7500 reserved for expansion]

SUBTITLE D. IRRIGATION DISTRICTS

[Chapters 7501-7800 reserved for expansion]

SUBTITLE E. LEVEE IMPROVEMENT DISTRICTS

CHAPTER 7801. BOIS D'ARC ISLAND LEVEE IMPROVEMENT DISTRICT OF DALLAS AND KAUFMAN COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7801.001. DEFINITIONS

Sec. 7801.002. APPLICABILITY OF OTHER LAW

[Sections 7801.003-7801.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

Sec. 7801.051. BOARD

Sec. 7801.052. TREASURER

[Sections 7801.053-7801.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7801.101. POWERS AND DUTIES OF BOARD

Sec. 7801.102. IMPOSITION OF TAXES

Sec. 7801.103. ESTABLISHING MINIMUM BENEFIT BASIS

Sec. 7801.104. EXCLUSION OF LAND FROM DISTRICT

Sec. 7801.105. CONVEYANCE OF DISTRICT FACILITIES IN AN EXCLUDED AREA

CHAPTER 7801. BOIS D'ARC ISLAND LEVEE IMPROVEMENT DISTRICT OF DALLAS AND KAUFMAN COUNTIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 7801.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a member of the board.

(3) "District" means the Bois d'Arc Island Levee Improvement District of Dallas and Kaufman Counties. (Acts 70th Leg., R.S., Ch. 827, Sec. 2; Acts 72nd Leg., R.S., Ch. 357, Sec. 1.)

Sec. 7801.002. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 57, Water Code, applies to the district. (Acts 72nd Leg., R.S., Ch. 357, Sec. 5(a) (part).)

[Sections 7801.003-7801.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS AND OFFICERS

Sec. 7801.051. BOARD. (a) The district is governed by a board of five elected directors.

(b) A person must indicate on the application for a place on the ballot the precinct that the person wants to represent.

(c) An election shall be held on the first Saturday in May of each even-numbered year to elect the appropriate number of directors. Except as provided by Subsection (d), directors serve four-year terms.

(d) The board shall revise each precinct after each federal decennial census to reflect population changes. At the first election after the precincts are revised, a new director shall be elected from each precinct. The directors shall draw lots to determine which two directors serve two-year terms and which three directors serve four-year terms. (Acts 72nd Leg., R.S., Ch. 357, Secs. 2(a) (part), (c), (d); 7(a), (c).)

Sec. 7801.052. TREASURER. (a) The board may provide for the appointment of a treasurer for the district.

(b) In addition to the powers and duties provided by other law, the treasurer has the powers and duties of the county treasurer under Chapter 57, Water Code. (Acts 72nd Leg., R.S., Ch. 357, Sec. 3.)

[Sections 7801.053-7801.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 7801.101. POWERS AND DUTIES OF BOARD. The board has the powers and duties delegated to the commissioners court and county judge under Chapter 57, Water Code. (Acts 72nd Leg., R.S., Ch. 357, Sec. 5(a) (part).)

Sec. 7801.102. IMPOSITION OF TAXES. (a) The Tax Code governs the imposition of district taxes.

(b) The board may provide for the appointment of a tax assessor-collector or may contract for the imposition of taxes with Dallas County or Kaufman County or with another person as provided by the Tax Code. (Acts 70th Leg., R.S., Ch. 827, Sec. 5 (part); Acts 72nd Leg., R.S., Ch. 357, Sec. 4.)

Sec. 7801.103. ESTABLISHING MINIMUM BENEFIT

BASIS. (a) If the district levies taxes on the benefit basis, the board may establish a minimum benefit that will accrue to each piece of taxable property in the district.

(b) The board shall serve as the commissioners of appraisement. (Acts 70th Leg., R.S., Ch. 827, Sec. 5 (part).)

Sec. 7801.104. EXCLUSION OF LAND FROM DISTRICT. If the district does not have outstanding bonds payable in whole or in part from taxes, the board may exclude land from the district as provided by Subchapter J, Chapter 49, Water Code. (Acts 70th Leg., R.S., Ch. 827, Sec. 3.)

Sec. 7801.105. CONVEYANCE OF DISTRICT FACILITIES IN AN EXCLUDED AREA. (a) If the district has facilities located in an area that is excluded from the district, the board may convey those facilities to another governmental entity that agrees to assume the responsibility for flood protection for the excluded area.

(b) A conveyance under this section may:

(1) be on the terms determined by the board; and

(2) include a right-of-way, easement, or fee title to land on which the facilities are located. (Acts 70th Leg., R.S., Ch. 827, Sec. 4.)

[Chapters 7802-8100 reserved for expansion]

SUBTITLE F. MUNICIPAL UTILITY DISTRICTS

CHAPTER 8101. ATHENS MUNICIPAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8101.001. DEFINITIONS

Sec. 8101.002. NATURE OF AUTHORITY

Sec. 8101.003. FINDING OF BENEFIT AND PUBLIC PURPOSE

Sec. 8101.004. LIBERAL CONSTRUCTION OF CHAPTER

[Sections 8101.005-8101.050 reserved for expansion]

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8101.051. BOUNDARIES

Sec. 8101.052. ANNEXATIONS OF TERRITORY

Sec. 8101.053. LIMITATION ON ASSUMPTION OF TAX OBLIGATIONS

[Sections 8101.054-8101.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8101.101. GENERAL POWERS

Sec. 8101.102. ELIGIBILITY TO SERVE

Sec. 8101.103. DIRECTORS ELECTION

Sec. 8101.104. BALLOT PROCEDURE FOR CANDIDATES

Sec. 8101.105. APPOINTMENT OF SECRETARY AND TREASURER

Sec. 8101.106. VOTE BY BOARD PRESIDENT

Sec. 8101.107. DIRECTOR'S AND TREASURER'S BOND

Sec. 8101.108. COMPENSATION

[Sections 8101.109-8101.150 reserved for expansion]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8101.151. POWERS AND DUTIES

Sec. 8101.152. WATER SUPPLY AND DISTRIBUTION

Sec. 8101.153. WASTE SERVICES

Sec. 8101.154. EMINENT DOMAIN

Sec. 8101.155. COST OF RELOCATING PROPERTY

Sec. 8101.156. CONSTRUCTION OR PURCHASE CONTRACTS

Sec. 8101.157. CONTRACTS WITH MUNICIPALITIES AND OTHERS

[Sections 8101.158-8101.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8101.201. TAX METHOD

Sec. 8101.202. TAX ASSESSOR AND COLLECTOR

Sec. 8101.203. DEPOSITORY

[Sections 8101.204-8101.250 reserved for expansion]

SUBCHAPTER F. BONDS

Sec. 8101.251. AUTHORITY TO ISSUE BONDS

Sec. 8101.252. REFUNDING BONDS

Sec. 8101.253. FORM OF BONDS

Sec. 8101.254. MATURITY

Sec. 8101.255. TRUST INDENTURE

Sec. 8101.256. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES

Sec. 8101.257. BOND SECURITY; REVENUE; TAXES; ADDITIONAL BONDS

Sec. 8101.258. ADDITIONAL SECURITY

Sec. 8101.259. CHARGES FOR AUTHORITY SERVICES

Sec. 8101.260. USE OF BOND PROCEEDS

Sec. 8101.261. APPOINTMENT OF RECEIVER

Sec. 8101.262. BONDS SECURED BY CONTRACT PROCEEDS; APPROVAL

Sec. 8101.263. BONDS EXEMPT FROM TAXATION

Sec. 8101.264. PROPERTY EXEMPT FROM TAXATION AND ASSESSMENT

CHAPTER 8101. ATHENS MUNICIPAL WATER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8101.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Athens Municipal Water Authority.

(2) "Board" means the authority's board of directors. (V.A.C.S. Art. 8280-196, Sec. 1 (part); New.)

Sec. 8101.002. NATURE OF AUTHORITY. The authority is a conservation and reclamation district in Henderson County. (V.A.C.S. Art. 8280-196, Secs. 1 (part), 2(a) (part).)

Sec. 8101.003. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The legislature finds that:

(1) all of the lands and other property included in the boundaries of the authority will benefit from the improvements and facilities to be constructed, acquired, or otherwise provided under this chapter; and

(2) the authority is created to serve a public use and benefit.

(b) The authority is created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

(c) The accomplishment of the purposes stated in this chapter are for the benefit of the people of this state and for the improvement of their properties and industries. The authority in carrying out the purposes of this chapter will be performing an essential public function under the constitution of this state. (V.A.C.S. Art. 8280-196, Secs. 1 (part), 2(a) (part), 12 (part), 14 (part).)

Sec. 8101.004. LIBERAL CONSTRUCTION OF CHAPTER. This

chapter shall be liberally construed to effect its purposes. (V.A.C.S. Art. 8280-196, Sec. 12 (part).)

[Sections 8101.005-8101.050 reserved for expansion]

SUBCHAPTER B. DISTRICT TERRITORY AND ANNEXATIONS TO DISTRICT TERRITORY

Sec. 8101.051. BOUNDARIES. (a) The authority is in Henderson County and, unless modified as provided by Section 8101.052 or by Subchapter J, Chapter 49, Water Code, the boundaries of the authority are coextensive with the corporate limits of the city of Athens, Henderson County, Texas, as those corporate limits existed on May 2, 1957.

(b) Territory annexed by the City of Athens after May 2, 1957, does not become a part of the authority solely because of its annexation to the city.

(c) A defect or irregularity in the boundaries of the city of Athens as they existed on May 2, 1957, or in a proceeding related to the territory of or an annexation by the city before that date does not affect the validity of the authority or any of its rights, powers, privileges, or functions. (V.A.C.S. Art. 8280-196, Sec. 2(a) (part).)

Sec. 8101.052. ANNEXATIONS OF TERRITORY. (a) The board, as provided by this section, may annex territory the City of Athens annexes after May 2, 1957. The authority may not annex territory under this section if bonds supported by ad valorem taxes previously voted on remain unissued and unsold.

(b) The board by order may set a date for a hearing on the annexation and hold the hearing on that date.

(c) Notice of the hearing must:

(1) be posted in three public places in the territory proposed to be annexed at least 15 days before the date set for the hearing; and

(2) contain a statement of the nature and purpose of the hearing and the date, time, and place of the hearing.

(d) A person whose land is included in or would be affected by the annexation may:

(1) appear at the hearing to contest the annexation; and

(2) offer testimony to show that the annexation would or would not benefit land proposed to be annexed.

(e) The board shall enter a resolution ordering the annexation and designating the territory if the board finds as a result of the hearing that the proposed annexation is feasible and practicable and would benefit the land proposed to be annexed. The board may designate the territory by reference to the city's annexation ordinance or in another manner.

(f) The board shall refuse the proposed annexation if the board finds as a result of the hearing that the annexation does not satisfy the requirements of Subsection (e). (V.A.C.S. Art. 8280-196, Secs. 2(b), (c) (part).)

Sec. 8101.053. LIMITATION ON ASSUMPTION OF TAX OBLIGATIONS. (a) The authority may not impose on territory the authority annexes under Section 8101.052 a tax obligation the authority incurred before annexation unless:

(1) the owners of the land annexed provide written

consent for the assumption of that tax obligation; or

(2) at an election held for that purpose in the territory, a majority of the voters of the territory approve the assumption of that tax obligation.

(b) The notice provisions of Section 49.106, Water Code, apply to an election held under this section.

(c) The election notice must be published in a newspaper published in the city of Athens. If a newspaper is not published in the city of Athens, it is sufficient to post notices at three public places in that city at least 28 days before the date of the election. (V.A.C.S. Art. 8280-196, Sec. 2(c) (part).)

[Sections 8101.054-8101.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 8101.101. GENERAL POWERS. The board consists of five directors. (V.A.C.S. Art. 8280-196, Sec. 3(a) (part).)

Sec. 8101.102. ELIGIBILITY TO SERVE. (a) A director must reside in and own taxable property in the authority.

(b) A person may not serve as a director if the person is:

(1) a member of a governing body of a municipality; or

(2) an employee of a municipality. (V.A.C.S. Art. 8280-196, Sec. 3(a) (part).)

Sec. 8101.103. DIRECTORS ELECTION. (a) The board shall issue an order for each directors election stating the time, place, and purpose of the election.

(b) Notice of a directors election shall be published in a newspaper of general circulation in the authority's territory one time at least 30 days before the date of the election.

(c) The appropriate number of candidates who receive the highest number of votes shall be declared elected. (V.A.C.S. Art. 8280-196, Sec. 3(c) (part).)

Sec. 8101.104. BALLOT PROCEDURE FOR CANDIDATES. (a) A person who wants to have the person's name printed on the ballot as a candidate for director must submit a petition to the board secretary requesting that action.

(b) The petition must be:

(1) signed by at least 50 qualified voters; and

(2) presented to the secretary not later than the 21st day before the date of the election. (V.A.C.S. Art. 8280-196, Sec. 3(d).)

Sec. 8101.105. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer. The board may combine those offices. The secretary or treasurer is not required to be a director. (V.A.C.S. Art. 8280-196, Sec. 3(g) (part).)

Sec. 8101.106. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director. (V.A.C.S. Art. 8280-196, Sec. 3(g) (part).)

Sec. 8101.107. DIRECTOR'S AND TREASURER'S BOND. (a) A director shall give bond in the amount of $5,000 for the faithful performance of the director's duties.

(b) The treasurer shall give bond in an amount required by the board, conditioned on the treasurer's faithfully accounting for all money that comes into the treasurer's custody. (V.A.C.S. Art. 8280-196, Secs. 3(a) (part), (g) (part).)

Sec. 8101.108. COMPENSATION. Unless the board by

resolution increases the fee to an amount authorized by Section 49.060, Water Code, each director shall receive a fee not to exceed $10 for attending each board meeting and a fee not to exceed $10 for each day devoted to authority business. (V.A.C.S. Art. 8280-196, Sec. 3(f) (part).)

[Sections 8101.109-8101.150 reserved for expansion]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8101.151. POWERS AND DUTIES. The authority has:

(1) all the powers of a governmental agency; and

(2) the rights, powers, privileges, and functions that:

(A) may be contemplated and implied by Section 59, Article XVI, Texas Constitution; or

(B) are conferred by the general laws of the state relating to water control and improvement districts, including Chapters 49 and 51, Water Code, unless those rights, powers, privileges, or functions conflict with this chapter. (V.A.C.S. Art. 8280-196, Secs. 1 (part), 13 (part).)

Sec. 8101.152. WATER SUPPLY AND DISTRIBUTION. (a) The authority may develop, construct, or purchase dams, reservoirs, and underground or other sources of water.

(b) The authority may construct or purchase all works, plants, and other facilities necessary or useful to:

(1) provide a source of water supply;

(2) store and process the water; and

(3) transport and distribute the water for municipal, domestic, and industrial purposes. (V.A.C.S. Art. 8280-196, Sec. 4

(part).)

Sec. 8101.153. WASTE SERVICES. To preserve and protect the purity of the waters of the authority and this state and to conserve and reclaim those waters for beneficial use by the inhabitants of the authority, the authority may provide all plants, works, facilities, and appliances incident to, helpful to, or necessary to collect, transport, process, dispose of, and control all domestic, industrial, or communal wastes, whether fluid, solid, or composite. (V.A.C.S. Art. 8280-196, Sec. 4 (part).)

Sec. 8101.154. EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire land and easements to carry out any power conferred by this chapter.

(b) The authority must exercise the power of eminent domain in the manner provided by Chapter 21, Property Code.

(c) The board shall determine the amount of and character of interest in land and easements to be acquired. (V.A.C.S. Art. 8280-196, Sec. 5 (part).)

Sec. 8101.155. COST OF RELOCATING PROPERTY. If the authority, in the exercise of the power of eminent domain, the power of relocation, or any other power granted under this chapter, makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, or pipeline or telephone or telegraph property or facility, the authority is solely responsible for the expense of that necessary action. (V.A.C.S. Art. 8280-196, Sec. 5 (part).)

Sec. 8101.156. CONSTRUCTION OR PURCHASE CONTRACTS. (a) Except as provided by Subsection (e), the

authority shall award a construction contract or contract for the purchase of materials, equipment, or supplies requiring an expenditure of more than $2,000 to the lowest and best bidder.

(b) Notice to bidders must be published once each week for two weeks before the contract is awarded.

(c) The notice is sufficient if it states:

(1) the time and place for opening the bids;

(2) the general nature of the work to be done or the material, equipment, or supplies to be purchased; and

(3) where and how copies of the plans and specifications may be obtained.

(d) The notice must be printed in a newspaper that is designated by the board and that is published in Henderson County.

(e) This section does not apply to the purchase of a system or part of a system in existence at the time of the purchase. (V.A.C.S. Art. 8280-196, Sec. 6.)

Sec. 8101.157. CONTRACTS WITH MUNICIPALITIES AND OTHERS. (a) The authority may contract with municipalities and others for supplying services to them.

(b) The authority may contract with any municipality for the rental, lease, or operation of the water production, water supply, and water supply facilities of the authority for the consideration agreed to by the authority and the municipality.

(c) The authority may contract with any municipality for the rental, lease, or operation of the water production, water supply, and water supply facilities or sanitary sewer system of the municipality for the consideration agreed to by the authority and

the municipality.

(d) A contract under this section:

(1) may be on the terms and for the period to which the parties agree; and

(2) may provide that the contract continues in effect until the bonds specified by the contract and refunding bonds issued in place of those bonds are paid. (V.A.C.S. Art. 8280-196, Sec. 9.)

[Sections 8101.158-8101.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8101.201. TAX METHOD. The authority shall use the ad valorem plan of taxation. (V.A.C.S. Art. 8280-196, Sec. 13 (part).)

Sec. 8101.202. TAX ASSESSOR AND COLLECTOR. Before issuing bonds payable wholly or partly from ad valorem taxes or imposing ad valorem taxes for any other purpose, the board shall:

(1) appoint a tax assessor and collector;

(2) provide for taxes to be assessed; and

(3) provide for the preparation of tax rolls. (V.A.C.S. Art. 8280-196, Sec. 8 (part).)

Sec. 8101.203. DEPOSITORY. (a) The board shall designate one or more banks to serve as depository for the authority's money.

(b) All of the authority's money shall be deposited in the depository bank or banks, except that:

(1) money pledged to pay bonds may be deposited with the trustee bank or banks named in the trust indenture; and

(2) money for payment of the principal of and interest

on bonds shall be remitted to the bank of payment.

(c) To the extent that money in the depository banks and the trustee bank are not insured by the Federal Deposit Insurance Corporation, they must be secured in the manner provided by law for the security of county funds.

(d) Before designating a depository bank or banks, the board shall issue a notice that:

(1) states the time and place of the board's meeting for that purpose; and

(2) invites the banks to submit applications to be designated depositories.

(e) The notice must be published one time in a newspaper published in the city of Athens at least 10 days before the date set for receiving applications.

(f) The board shall prescribe the terms of service for depositories.

(g) At the time mentioned in the notice, the board shall:

(1) consider the applications and the management and condition of the banks filing applications; and

(2) designate as depository the bank or banks that:

(A) offer the most favorable terms for handling the authority's money; and

(B) the board finds have proper management and are in condition to handle the authority's money.

(h) If the board does not receive any applications by the time stated in the notice, or if the board rejects all applications, the board shall designate a bank or banks on terms it finds

advantageous to the authority. (V.A.C.S. Art. 8280-196, Sec. 10.)

[Sections 8101.204-8101.250 reserved for expansion]

SUBCHAPTER F. BONDS

Sec. 8101.251. AUTHORITY TO ISSUE BONDS. (a) The authority may issue bonds to:

(1) purchase or otherwise provide works, plants, facilities, or appliances necessary to accomplish the purposes authorized by this chapter; or

(2) exercise any other power conferred by this chapter.

(b) Bonds issued by the authority must be payable from revenue or ad valorem taxes. If bonds are payable wholly from revenue, the revenue may be pledged by board resolution without an election. (V.A.C.S. Art. 8280-196, Sec. 7(a) (part).)

Sec. 8101.252. REFUNDING BONDS. (a) The authority may issue refunding bonds to refund outstanding bonds issued under this subchapter and interest on those bonds.

(b) Refunding bonds may:

(1) be issued to refund bonds of more than series;

(2) combine the pledges for the outstanding bonds for the security of the refunding bonds; or

(3) be secured by a pledge of other or additional revenue or mortgage liens.

(c) The provisions of this subchapter regarding the issuance of other bonds, their security, and the remedies of the holders apply to refunding bonds, except that an election is not required for refunding bonds.

(d) The comptroller shall register the refunding bonds on surrender and cancellation of the bonds to be refunded.

(e) Instead of issuing bonds to be registered on the surrender and cancellation of the bonds to be refunded, the authority, in the resolution authorizing the issuance of the refunding bonds, may provide for the sale of the refunding bonds and the deposit of the proceeds in a bank at which the bonds to be refunded are payable. In that case, the refunding bonds may be issued in an amount sufficient to pay the principal of and interest on the bonds to be refunded to their option date or maturity date, and the comptroller shall register the refunding bonds without the surrender and cancellation of the bonds to be refunded. (V.A.C.S. Art. 8280-196, Sec. 7(g).)

Sec. 8101.253. FORM OF BONDS. (a) An authority bond must:

(1) be issued in the name of the authority;

(2) be signed by the president;

(3) be attested to by the secretary; and

(4) have the authority seal impressed on it or a facsimile seal printed on it.

(b) At the option of the board, a bond may be signed in accordance with Chapter 618, Government Code. (V.A.C.S. Art. 8280-196, Sec. 7(a) (part).)

Sec. 8101.254. MATURITY. Bonds issued under this subchapter must mature within 40 years. (V.A.C.S. Art. 8280-196, Sec. 7(a) (part).)

Sec. 8101.255. TRUST INDENTURE. The trust indenture may contain provisions prescribed by the board that:

(1) provide for the security of the bonds and the operation and preservation of the trust estate;

(2) provide for amendment or modification of the trust indenture;

(3) provide for the issuance of bonds to replace lost or mutilated bonds; and

(4) condition the right to spend authority money or sell authority property on the approval of a licensed engineer selected as provided by the trust indenture. (V.A.C.S. Art. 8280-196, Sec. 7(i).)

Sec. 8101.256. ELECTION FOR BONDS PAYABLE FROM AD VALOREM TAXES. The authority may not issue bonds payable wholly or partly from ad valorem taxes unless the voters of the authority authorize that issuance at an election held for that purpose in the manner prescribed by Section 49.106, Water Code. (V.A.C.S. Art. 8280-196, Sec. 7(a) (part).)

Sec. 8101.257. BOND SECURITY; REVENUE; TAXES; ADDITIONAL BONDS. (a) In this section, "net revenue" means the gross revenue of the authority after deducting the amount necessary to pay the cost of maintaining and operating the authority, including its properties.

(b) Bonds issued under this subchapter may be secured by:

(1) a pledge of all or part of the net revenue of the authority, including the net revenue of a past or future contract; or

(2) other revenue and income specified by resolution of the board or the trust indenture.

(c) If bonds are issued payable wholly or partly from taxes, the board shall impose taxes on all taxable property in the authority without limit as to rate or amount while those bonds are outstanding. The board shall impose the taxes in amounts:

(1) sufficient to pay the principal of and interest on the bonds annually as they mature; or

(2) required to supplement the net revenue pledged to the bonds' payment so that the principal of and interest on the bonds are paid when due.

(d) A bond security pledge under this section may reserve to the authority the right, under conditions specified by the pledge, to issue additional bonds that will be on a parity with or subordinate to the bonds then being issued. (V.A.C.S. Art. 8280-196, Sec. 7(c).)

Sec. 8101.258. ADDITIONAL SECURITY. (a) Bonds, including refunding bonds, payable partly or wholly from a pledge of revenue authorized by this subchapter may be additionally secured by a mortgage lien on physical properties of the authority and all franchises, easements, water rights and appropriation permits, leases, contracts, and all rights appurtenant to those properties, vesting in the trustee under the trust indenture the power to:

(1) sell the properties for payment of the debt;

(2) operate the properties; and

(3) take any other action to secure the bonds.

(b) A purchaser under a sale under the deed of trust:

(1) is the absolute owner of the properties and facilities purchased; and

(2) is entitled to maintain and operate those properties and facilities. (V.A.C.S. Art. 8280-196, Sec. 7(h).)

Sec. 8101.259. CHARGES FOR AUTHORITY SERVICES. The board shall set the rates of compensation for services rendered by the authority so that the authority has enough money to pay the expenses of operating and maintaining the facilities of the authority, to pay bonds as they mature and the interest as it accrues, and to maintain the reserve and other funds as provided in the resolution authorizing the bonds or in the trust indenture. (V.A.C.S. Art. 8280-196, Sec. 7(d).)

Sec. 8101.260. USE OF BOND PROCEEDS. (a) The authority may set aside and use proceeds from bond sales for:

(1) the payment of interest expected to accrue during construction and the first year after construction; and

(2) a reserve interest and sinking fund.

(b) The authority may provide in the resolution authorizing the bonds or in the trust indenture for setting aside and using the proceeds as described by Subsection (a).

(c) The authority may use proceeds from the sale of bonds to pay an expense incurred in accomplishing the purposes of the authority. (V.A.C.S. Art. 8280-196, Sec. 7(e).)

Sec. 8101.261. APPOINTMENT OF RECEIVER. (a) On default or threatened default in the payment of the principal of or interest on bonds issued under this subchapter that are payable wholly or partly from revenue, a court may, on petition of the holders of outstanding bonds, appoint a receiver for the authority.

(b) The receiver, without consent of or hindrance by the

board, may:

(1) collect and receive all authority income;

(2) employ and discharge authority agents and employees;

(3) take charge of money on hand; and

(4) manage the affairs of the authority.

(c) The receiver may be authorized to sell or contract for the sale of services of the authority's facilities or to renew those contracts with the approval of the appointing court.

(d) The court may vest the receiver with any other power or duty the court finds necessary to protect the bondholders.

(e) The resolution that authorizes the issuance of the bonds or the trust indenture securing their payment may:

(1) specify the minimum percentage of outstanding bonds that must be held by the bondholders seeking the appointment of a receiver; or

(2) otherwise qualify the right of bondholders to institute litigation that might affect the authority's property, including money. (V.A.C.S. Art. 8280-196, Sec. 7(f).)

Sec. 8101.262. BONDS SECURED BY CONTRACT PROCEEDS; APPROVAL. (a) If bonds issued under this subchapter state that they are secured by a pledge of the proceeds of a contract previously made between the authority and a municipality or other governmental agency, including a district, a copy of that contract and the proceedings of the entity authorizing the contract must be submitted to the attorney general along with the bonds.

(b) If the attorney general finds that the bonds have been

authorized and the contract has been made in accordance with law, the attorney general shall approve the bonds and contract. (V.A.C.S. Art. 8280-196, Sec. 7(j) (part).)

Sec. 8101.263. BONDS EXEMPT FROM TAXATION. A bond issued under this subchapter, the transfer of the bond, and income from the bond, including profits made on the sale of the bond, are exempt from taxation in this state. (V.A.C.S. Art. 8280-196, Sec. 14 (part).)

Sec. 8101.264. PROPERTY EXEMPT FROM TAXATION AND ASSESSMENT. Property of the authority is exempt from taxation and assessment. (V.A.C.S. Art. 8280-196, Sec. 14 (part).)

CHAPTER 8102. ADDICKS UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8102.001. DEFINITION

Sec. 8102.002. CREATION; NATURE OF DISTRICT

Sec. 8102.003. LEGISLATIVE FINDINGS

Sec. 8102.004. DISTRICT TERRITORY

[Sections 8102.005-8102.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8102.051. DIRECTORS

[Sections 8102.052-8102.100 reserved for expansion]

SUBCHAPTER C. DISTRICT RIGHTS, POWERS, AND FUNCTIONS

Sec. 8102.101. GENERAL RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS

CHAPTER 8102. ADDICKS UTILITY DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8102.001. DEFINITION. In this chapter, "district"

means "Addicks Utility District." (V.A.C.S. Art. 8280-548, Sec. 1 (part).)

Sec. 8102.002. CREATION; NATURE OF DISTRICT. The district is a conservation and reclamation district in Harris County, Texas, created under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-548, Sec. 1 (part).)

Sec. 8102.003. LEGISLATIVE FINDINGS. The legislature finds that:

(1) the creation and establishment of the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution;

(2) all land and other property included in the boundaries of the district will be benefited by the works and projects accomplished by the district under the powers conferred by Section 59, Article XVI, Texas Constitution; and

(3) the district is created to serve a public use and benefit. (V.A.C.S. Art. 8280-548, Secs. 1 (part), 3.)

Sec. 8102.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 4, Chapter 661, Acts of the 62nd Legislature, Regular Session, 1971 (V.A.C.S. Article 8280-548), as that territory may have been modified under:

(1) Subchapter J, Chapter 49, Water Code; or

(2) other law.

(b) The legislature finds that the boundaries and field notes of the district contained in Section 4, Chapter 661, Acts of the 62nd Legislature, Regular Session, 1971 (V.A.C.S. Article 8280-548), form a closure. A mistake in the field notes or in

copying the field notes in the legislative process does not affect:

(1) the organization, existence, or validity of the district;

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

(3) the right of the district to impose taxes; or

(4) the legality or operation of the district or its governing body. (V.A.C.S. Art. 8280-548, Sec. 2; New.)

[Sections 8102.005-8102.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8102.051. DIRECTORS. Directors are elected or appointed and serve for the terms and in the manner provided by Chapter 49, Water Code. (V.A.C.S. Art. 8280-548, Sec. 6 (part).)

[Sections 8102.052-8102.100 reserved for expansion]

SUBCHAPTER C. DISTRICT RIGHTS, POWERS, AND FUNCTIONS

Sec. 8102.101. GENERAL RIGHTS, POWERS, PRIVILEGES, AND FUNCTIONS. (a) The district has all of the rights, powers, privileges, and functions provided by the general laws of this state applicable to municipal utility districts, including Chapters 49 and 54, Water Code.

(b) If a provision of a general law that applies to municipal utility districts is in conflict or inconsistent with this chapter, this chapter prevails. (V.A.C.S. Art. 8280-548, Sec. 5 (part).)

[Chapters 8103-8500 reserved for expansion]

SUBTITLE G. RIVER AUTHORITIES

CHAPTER 8501. ANGELINA AND NECHES RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8501.001. DEFINITIONS

Sec. 8501.002. WATER RIGHTS NOT AFFECTED

Sec. 8501.003. REGULAR OFFICE OF AUTHORITY

Sec. 8501.004. RECORDS

Sec. 8501.005. LIBERAL CONSTRUCTION

[Sections 8501.006-8501.050 reserved for expansion]

SUBCHAPTER B. NATURE AND TERRITORY

Sec. 8501.051. CREATION AND NATURE OF AUTHORITY

Sec. 8501.052. TERRITORY

[Sections 8501.053-8501.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS AND EMPLOYEES

Sec. 8501.101. MEMBERSHIP OF BOARD

Sec. 8501.102. TERMS

Sec. 8501.103. VACANCY

Sec. 8501.104. OATH AND BOND REQUIREMENT FOR DIRECTOR

Sec. 8501.105. COMPENSATION OF DIRECTORS

Sec. 8501.106. QUORUM RELATING TO CONSTRUCTION MATTERS

Sec. 8501.107. OFFICERS

Sec. 8501.108. MEETINGS

Sec. 8501.109. EMPLOYMENT PREFERENCE

Sec. 8501.110. REMOVAL OF EMPLOYEE

Sec. 8501.111. COMPENSATION OF EMPLOYEES

Sec. 8501.112. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND

Sec. 8501.113. CONFLICT OF INTEREST; CRIMINAL PENALTY

[Sections 8501.114-8501.150 reserved for expansion]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8501.151. POWERS UNDER CONSTITUTION AND OTHER LAW

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Sec. 8501.153. STATE SUPERVISION AND APPROVAL

Sec. 8501.154. GENERAL POWERS RELATING TO WATER

Sec. 8501.155. POWERS RELATING TO PARTICULAR PURPOSES

Sec. 8501.156. POWERS RELATING TO FLOODING

Sec. 8501.157. POWERS RELATING TO USE OF WATER IN GENERAL

Sec. 8501.158. POWERS RELATING TO DOMESTIC, COMMERCIAL, OR INDUSTRIAL USE OF WATER

Sec. 8501.159. POWERS RELATING TO USE OF WATER FOR IRRIGATION

Sec. 8501.160. POWERS RELATING TO DRAINAGE OF WATER

Sec. 8501.161. POWERS RELATING TO ACQUISITION OR OPERATION OF WORKS, LAND, OR OTHER PROPERTY

Sec. 8501.162. ADDITIONAL POWERS RELATING TO ACQUISITION OR OPERATION OF PROPERTY

Sec. 8501.163. POWERS RELATING TO CONTRACT, LEASE, AGREEMENT, OR CONVEYANCE

Sec. 8501.164. RIGHT OF EMINENT DOMAIN

Sec. 8501.165. COORDINATION AND JOINT UNDERTAKINGS AMONG DISTRICTS

Sec. 8501.166. NO AUTHORITY FOR TAX OR SPECIAL ASSESSMENT

[Sections 8501.167-8501.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL MATTERS

Sec. 8501.201. PROCEDURE FOR PAYMENT

Sec. 8501.202. RECORDS RELATING TO MONEY

Sec. 8501.203. FILING OF AUDIT

Sec. 8501.204. FEES

Sec. 8501.205. LIMITATION ON USE OF REVENUE

[Sections 8501.206-8501.250 reserved for expansion]

SUBCHAPTER F. OBLIGATIONS RELATING TO BORROWED MONEY

Sec. 8501.251. POWER TO BORROW MONEY; EVIDENCE OF OBLIGATION

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Sec. 8501.253. NO CREATION OF DEBT; NO PAYMENT FROM TAXES

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Sec. 8501.257. LIEN ON REVENUE

Sec. 8501.258. SINKING FUND: IN GENERAL

Sec. 8501.259. SINKING FUND: EXCESS MONEY

Sec. 8501.260. COVENANTS FOR MARKETABILITY

Sec. 8501.261. HOLDER OF OBLIGATION MAY COMPEL PERFORMANCE

Sec. 8501.262. HOLDER OF OBLIGATION ENTITLED TO ADMINISTRATOR OR RECEIVER

Sec. 8501.263. ADDITIONAL SECURITY FOR OBLIGATION: MORTGAGE AND ENCUMBRANCE

Sec. 8501.264. SALE UNDER MORTGAGE OR ENCUMBRANCE

Sec. 8501.265. STATE FRANCHISE LAW NOT APPLICABLE

Sec. 8501.266. DEPOSIT OF PROCEEDS

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COMPLETION

Sec. 8501.268. INSURING IMPROVEMENTS AND FACILITIES

Sec. 8501.269. REFUNDING OBLIGATION

Sec. 8501.270. TAX EXEMPTION

[Sections 8501.271-8501.900 reserved for expansion]

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 8501.901. CHAPTER AS FULL AUTHORITY; OTHER STATUTES NOT APPLICABLE

CHAPTER 8501. ANGELINA AND NECHES RIVER AUTHORITY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8501.001. DEFINITIONS. In this chapter:

(1) "Authority" means the Angelina and Neches River Authority.

(2) "Board" means the board of directors of the authority. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part); New.)

Sec. 8501.002. WATER RIGHTS NOT AFFECTED. This chapter does not affect any existing rights, or existing priorities in the rights, to water from the source of supply. The formation of the authority or a contract for the purchase of water with the authority is not an abandonment or waiver of those rights or priorities and is not an abandonment of the original point of diversion from the source of supply. All those rights existing at the time of the formation of the authority are preserved. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 31.)

Sec. 8501.003. REGULAR OFFICE OF AUTHORITY. A regular office shall be established and maintained for conducting authority

business within the authority's territory. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 9 (part).)

Sec. 8501.004. RECORDS. (a) The secretary-treasurer of the board shall keep a record of all proceedings and all orders of the board.

(b) The records of the authority are subject to public inspection. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 7 (part), 9 (part).)

Sec. 8501.005. LIBERAL CONSTRUCTION. This chapter shall be liberally construed to effectuate its purposes. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 16 (part).)

[Sections 8501.006-8501.050 reserved for expansion]

SUBCHAPTER B. NATURE AND TERRITORY

Sec. 8501.051. CREATION AND NATURE OF AUTHORITY. The Angelina and Neches River Authority is created as a conservation and reclamation district. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part).)

Sec. 8501.052. TERRITORY. (a) The authority is composed of the territory described by Section 3, Chapter 97, General Laws, Acts of the 44th Legislature, Regular Session, 1935, as amended by the relevant part of Section 1, Chapter 394, Acts of the 65th Legislature, Regular Session, 1977.

(b) The authority's territory also may have been modified under other law. (New.)

[Sections 8501.053-8501.100 reserved for expansion]

SUBCHAPTER C. BOARD OF DIRECTORS AND EMPLOYEES

Sec. 8501.101. MEMBERSHIP OF BOARD. (a) The board consists

of nine directors appointed by the governor with the advice and consent of the senate.

(b) Each director must be a freehold property taxpayer and a qualified voter of the state. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 4 (part).)

Sec. 8501.102. TERMS. Directors are appointed for staggered terms of six years with one-third of the directors' terms expiring every two years. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 4 (part).)

Sec. 8501.103. VACANCY. (a) A vacancy on the board shall be filled by appointment by the governor with the advice and consent of the senate.

(b) A person appointed to a vacant position serves for the unexpired part of the term. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 4 (part).)

Sec. 8501.104. OATH AND BOND REQUIREMENT FOR DIRECTOR. (a) A director shall, within 15 days after the date of appointment, qualify by taking the constitutional oath of office and by filing a good and sufficient bond with the secretary of state.

(b) The bond is subject to approval by the secretary of state and must:

(1) be in the amount of $1,000;

(2) be payable to the authority; and

(3) be conditioned on the faithful performance of the duties as a director. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 4 (part).)

Sec. 8501.105. COMPENSATION OF DIRECTORS. Unless the board by resolution increases the fee of office to an amount authorized by Section 49.060, Water Code, a director shall receive as a fee of office an amount not to exceed $10 for each day of service necessary to discharge the director's duties, if the board votes to authorize the service. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 8 (part).)

Sec. 8501.106. QUORUM RELATING TO CONSTRUCTION MATTERS. The concurrence of five directors is required for entering into a construction contract or for authorizing the issuance of a warrant to pay for a construction contract. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 5 (part).)

Sec. 8501.107. OFFICERS. (a) The board shall elect one of the directors as president of the board, one as vice president, and one as secretary-treasurer.

(b) The president is the chief executive officer of the authority.

(c) The vice president shall act as president if the president is absent or disabled.

(d) The secretary-treasurer shall act as a secretary of the board. The board shall select a secretary pro tem if the secretary-treasurer is absent or unable to act. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 5 (part), 7 (part).)

Sec. 8501.108. MEETINGS. (a) The president shall preside at all meetings of the board.

(b) The board shall set, by order entered in the minutes of its proceedings, a specified time for the regular meetings of the board. The board shall meet for a specific occasion if called by

order of the president, vice president, or a majority of the directors.

(c) The board shall hold its meetings at its office and principal place of business unless the board directs otherwise for a specific occasion. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 7 (part).)

Sec. 8501.109. EMPLOYMENT PREFERENCE. (a) The authority and each contractor who employs labor for the construction of an improvement for the authority shall give a preference to the employment of:

(1) persons who are on relief rolls or otherwise unemployed and who are able to efficiently provide the proper service in the various classifications of labor under which they are to be employed; and

(2) if there are not sufficient persons who are qualified under Subdivision (1), qualified workers who reside in the locality where the improvement is to be constructed.

(b) The persons to whom the preference applies include persons required for office or clerical work but do not include the key workers of the authority or contractor.

(c) Each contract expressly entered into under this chapter by the authority with a contractor must expressly impose on the contractor the duty to give the preference provided by this section.

(d) To the extent this section conflicts with the requirements of a federal agency providing funds for the authority, the requirements of the federal agency control. (Acts 44th Leg.,

R.S., G.L., Ch. 97, Sec. 32.)

Sec. 8501.110. REMOVAL OF EMPLOYEE. An employee of the authority may be removed by the board. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 11 (part).)

Sec. 8501.111. COMPENSATION OF EMPLOYEES. The board shall set the reasonable compensation to be paid to the general manager and other employees of the authority. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 11 (part), 14(n) (part).)

Sec. 8501.112. DIRECTOR'S, OFFICER'S, OR EMPLOYEE'S SURETY BOND. A bond required to be given by a director, officer, or employee of the authority must be executed by a surety company authorized to do business in this state, as surety on the bond. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 12.)

Sec. 8501.113. CONFLICT OF INTEREST; CRIMINAL PENALTY. (a) A director or an engineer or employee of the authority may not be directly or indirectly interested, personally or as an agent for another person, in a contract for the purchase or construction of any work by the authority.

(b) A person commits an offense if the person violates this section. An offense under this subsection is a misdemeanor punishable by a fine not to exceed $1,000, by confinement in the county jail for not less than six months or more than one year, or by both the fine and confinement. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 13.)

[Sections 8501.114-8501.150 reserved for expansion]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 8501.151. POWERS UNDER CONSTITUTION AND OTHER LAW.

The authority has the powers of a conservation and reclamation district under the constitution and other laws of this state, including the powers:

(1) expressly authorized in Section 59, Article XVI, Texas Constitution, for a district created to conserve, store, control, preserve, use, and distribute the storm water and floodwater and the water of the rivers and streams of the state;

(2) implied by the purposes of that section of the constitution; and

(3) given by general law. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part).)

Sec. 8501.152. APPLICABILITY OF WATER CODE. The rights, powers, privileges, and functions granted to the authority, and the authority itself, are expressly subject to Chapters 11, 12, 26, and 49, Water Code, as applicable. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part).)

Sec. 8501.153. STATE SUPERVISION AND APPROVAL. (a) The Texas Commission on Environmental Quality shall consider the adequacy of, and decide whether to approve, any flood control or conservation improvement plan that:

(1) is devised by the authority to achieve a plan or purpose for which the authority is created; and

(2) contemplates improvements that are to be supervised by the commission under general law.

(b) Before the authority establishes a diversion point or constructs a canal, pumping plant, or other work under this chapter, the authority must:

(1) present the plans and specifications for the project to the Texas Commission on Environmental Quality; and

(2) obtain the approval of the commission. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 14(q), 15 (part).)

Sec. 8501.154. GENERAL POWERS RELATING TO WATER. (a) The authority has the rights and powers of an independent conservation and reclamation district to construct, maintain, and operate in the valleys of the Neches River and its tributaries, inside or outside the authority, any work considered essential:

(1) to the operation of the authority; and

(2) for the authority's administration in the control, storage, preservation, and distribution to all useful purposes of the water, including storm water and floodwater, of the Neches River and its tributaries.

(b) The authority has the same power of control and regulation over the waters of the Neches River and its tributaries that the state has, subject to the constitution and statutes of this state. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part).)

Sec. 8501.155. POWERS RELATING TO PARTICULAR PURPOSES. For the conservation and beneficial use of the water of the Neches River and its tributaries, including storm water and floodwater, the authority may control and use the water in the manner and for a particular purpose described by Section 8501.156, 8501.157, 8501.158, 8501.159, 8501.160, or 8501.161. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14 (part).)

Sec. 8501.156. POWERS RELATING TO FLOODING. In acting under Section 8501.155, the authority may:

(1) prevent the devastation of land from recurrent overflows;

(2) protect life and property in the authority from uncontrolled floodwater; and

(3) encourage the conservation of soil to prevent destructive erosion and to prevent the increased flood menace related to that erosion. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 14(c) (part), (g).)

Sec. 8501.157. POWERS RELATING TO USE OF WATER IN GENERAL. In acting under Section 8501.155, the authority may:

(1) through practical means, provide for the control and coordination of the regulation of the water of the Neches River and its tributaries;

(2) by adequate organization and administration, provide for preserving the equitable rights of the people of different sections of the watershed area in the beneficial use of the water of the Neches River and its tributaries;

(3) store, control, and conserve the water of the Neches River and its tributaries inside or outside the authority and prevent the escape of that water without the maximum of public service;

(4) equitably distribute the water of the Neches River and its tributaries to meet the regional potential requirements for all uses, including domestic, manufacturing, and irrigation uses; and

(5) use controlled and conserved floodwater and storm water for any purpose that results in the performance of a useful

service authorized by the constitution of this state. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 14(a), (b), (c) (part), (e) (part), (j).)

Sec. 8501.158. POWERS RELATING TO DOMESTIC, COMMERCIAL, OR INDUSTRIAL USE OF WATER. In acting under Section 8501.155, the authority may:

(1) conserve the water of the Neches River and its tributaries essential for the domestic uses of the people of the authority, including all necessary water supplies for cities and towns;

(2) control the water of the Neches River and its tributaries and make the water available for use in the development of commercial and industrial enterprises in the entire watershed area of the authority; and

(3) control, store, and use the water of the Neches River and its tributaries in the development and distribution of hydroelectric power, if that use is economically coordinated with other superior uses and subordinated to the uses declared by law to be superior. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 14(d), (h), (i).)

Sec. 8501.159. POWERS RELATING TO USE OF WATER FOR IRRIGATION. In acting under Section 8501.155, the authority may provide for the irrigation of all land in the authority or land outside the authority but inside the authority's watershed area where the irrigation is required for agricultural purposes or is considered helpful to more profitable agricultural production. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(e) (part).)

Sec. 8501.160. POWERS RELATING TO DRAINAGE OF WATER. In acting under Section 8501.155, the authority may:

(1) provide for the better encouragement and development of drainage systems for, and provide for the drainage of, lands in the valleys of the Neches River and its tributaries as needed for profitable agricultural production; and

(2) provide for drainage for other land in the watershed area of the authority as required for the most advantageous use of the land. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(f).)

Sec. 8501.161. POWERS RELATING TO ACQUISITION OR OPERATION OF WORKS, LAND, OR OTHER PROPERTY. (a) In acting under Section 8501.155, the authority may:

(1) purchase or construct any work necessary or convenient for the exercise of the authority's powers under this chapter and to accomplish the purposes of this chapter; and

(2) purchase or otherwise acquire land or other property necessary or convenient for carrying out the purposes of this chapter.

(b) The plans and works provided by the authority, and the works provided under the power of the authority, shall regard primarily the necessary and potential needs for water by or within the area in the authority constituting the watershed of the Neches River and its tributaries. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 14(e) (part), (k).)

Sec. 8501.162. ADDITIONAL POWERS RELATING TO ACQUISITION OR OPERATION OF PROPERTY. (a) In this section, "property" includes

a right, including a water right, and includes land and a tenement, easement, improvement, reservoir, dam, canal, lateral, plant, work, and facility.

(b) The authority may investigate, plan, acquire, construct, maintain, or operate any property the authority considers necessary or proper for the accomplishment of the purposes of the authority.

(c) The power described by Subsection (b) includes the power to acquire property inside or outside the authority that is incidental or helpful to carrying out the authority's purposes under this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 16 (part).)

Sec. 8501.163. POWERS RELATING TO CONTRACT, LEASE, AGREEMENT, OR CONVEYANCE. (a) The authority may enter into a contract, lease, or other agreement necessary or convenient to carry out a power given to the authority by this chapter.

(b) The authority may enter into the contract, lease, or agreement with any person, including:

(1) an individual or artificial entity;

(2) a corporation, including a municipal corporation and a public or private corporation; and

(3) a government or governmental agency, including the United States and this state.

(c) The authority may:

(1) convey or cause to be conveyed any of its property to the United States; and

(2) enter into a lease, regardless of whether it

includes a privilege of purchase, with the United States relating to any property and obligate the authority to pay rent under the lease from the income or other revenue of the property.

(d) A contract, lease, or agreement under this section must be approved by resolution of the board and must be executed by the president and attested by the secretary-treasurer.

(e) This section does not authorize the assumption by the authority of any obligation requiring a payment from taxes.

(f) The property to which Subsection (c) applies includes a right, land, tenement, easement, improvement, reservoir, dam, canal, plant, lateral, work, and facility. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(o).)

Sec. 8501.164. RIGHT OF EMINENT DOMAIN. (a) The authority may exercise the power of eminent domain to acquire fee simple title to, or an easement over or through, any land, water, or land under water that is necessary or convenient for carrying out any purpose or power given to the authority by this chapter. The power applies to private or public property inside or outside the authority.

(b) A condemnation proceeding is under the direction of the board and must be in the name of the authority.

(c) The assessment of damages and all procedures related to condemnation, appeal, and payment must conform to Chapter 21, Property Code. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(l).)

Sec. 8501.165. COORDINATION AND JOINT UNDERTAKINGS AMONG DISTRICTS. (a) A drainage, conservation, reclamation, or other district created by this state with powers provided in Section 59,

Article XVI, Texas Constitution, may:

(1) coordinate its plans with the authority; and

(2) enter into joint undertakings with the authority for the purposes for which the entities are created.

(b) The acts taken under Subsection (a) must be approved by a majority of the boards of directors of all the districts involved. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 2.)

Sec. 8501.166. NO AUTHORITY FOR TAX OR SPECIAL ASSESSMENT. This chapter does not authorize the authority to impose a tax or special assessment or to create any debt payable from taxes. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 1 (part).)

[Sections 8501.167-8501.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL MATTERS

Sec. 8501.201. PROCEDURE FOR PAYMENT. A warrant for the payment of money by the authority may be drawn and signed by the president and the secretary-treasurer if the account under which the payment is to be made results from a contract made by the board and is ordered paid by the board. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 5 (part).)

Sec. 8501.202. RECORDS RELATING TO MONEY. The secretary-treasurer shall:

(1) receive and give a receipt for all money received by the authority; and

(2) keep records of all money received and spent by the authority. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 7 (part).)

Sec. 8501.203. FILING OF AUDIT. In addition to copies of the annual audit of the authority that are filed as required by

Section 49.194, Water Code, a copy shall be filed with the depository of the authority and the office of the auditor. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 10 (part).)

Sec. 8501.204. FEES. (a) The board shall prescribe fees to be collected for:

(1) the use of water;

(2) a water connection; or

(3) another service.

(b) The board shall set the fees in amounts that are reasonable and equitable and sufficient to produce revenue adequate to pay the items described by Subsection (c). The fees may not exceed what may be reasonably necessary to fulfill the obligations imposed on the authority by this chapter.

(c) The board shall pay the following items from the fees:

(1) all expenses necessary to the operation and maintenance of the improvements and facilities of the authority, including:

(A) the cost of the acquisition of materials and other property necessary to maintain the improvements and facilities in good condition and to operate them efficiently;

(B) necessary wages and salaries of the authority; and

(C) other expenses reasonably necessary to the efficient operation of the improvements and facilities;

(2) the interest on any obligation issued under this chapter and payable from the revenue from the improvements and facilities; and

(3) the amount required to be paid annually into the sinking fund for the payment of an obligation issued under this chapter and payable from the revenue of the improvements and facilities. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(m) (part).)

Sec. 8501.205. LIMITATION ON USE OF REVENUE. (a) A charge on the revenue derived from the improvements and facilities of the authority may not be made if the principal or interest of any obligation issued under this chapter is unpaid.

(b) If the revenue derived from the improvements and facilities of the authority exceed the amount required for the payment of items under Section 8501.204(c), the board may pay the cost of improvements and replacements not covered by Section 8501.204(c)(1) and may establish a reasonable depreciation and emergency fund. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 14(m) (part).)

[Sections 8501.206-8501.250 reserved for expansion]

SUBCHAPTER F. OBLIGATIONS RELATING TO BORROWED MONEY

Sec. 8501.251. POWER TO BORROW MONEY; EVIDENCE OF OBLIGATION. The authority may:

(1) borrow money from any source, including an agency of the United States; and

(2) issue a note, warrant, certificate of indebtedness, or other form of obligation of the authority as evidence of the borrowed money. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 17 (part).)

Sec. 8501.252. OBLIGATION PAYABLE FROM REVENUE. (a) An

obligation issued under this chapter by the authority may be made payable from and secured by a pledge of:

(1) all the revenue derived from the operations and devices of the authority's improvements and facilities, excluding any revenue derived from a tax or assessment;

(2) only the revenue derived from the operation of the authority's improvements and facilities acquired with the proceeds from the sale of the obligation; or

(3) a specific part of the revenue derived from the operation of the authority's improvements and facilities.

(b) The proceedings authorizing the issuance of the obligation must identify the method described by Subsection (a) that is to be used to pay and secure the obligation. (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 17 (part), 19 (part).)

Sec. 8501.253. NO CREATION OF DEBT; NO PAYMENT FROM TAXES. (a) An obligation issued under this chapter is not a debt or a pledge of credit of the authority.

(b) The obligation:

(1) may not be paid in whole or part from any money raised by taxation; and

(2) must contain a recital to that effect. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 18 (part).)

Sec. 8501.254. TIME OF SALE. An obligation issued under this chapter shall be sold at the time determined by the board to be expedient and necessary to the interest of the authority. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 18 (part).)

Sec. 8501.255. MATURITY. An obligation issued under this

chapter must mature not more than 50 years after its date in the manner provided by the board. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 18 (part).)

Sec. 8501.256. SIGNATURES. (a) An obligation issued under this chapter must be signed by the president and secretary-treasurer of the board. An interest coupon attached to an obligation may be executed with the facsimile signature of the president and secretary-treasurer.

(b) If an officer whose signature is on an obligation or coupon ceases to be an officer before the delivery of the obligation to the purchaser, the signature remains valid for all purposes. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 18 (part).)

Sec. 8501.257. LIEN ON REVENUE. (a) If more than one series of obligations is issued under this chapter payable from and secured by identical revenue, the priority of a lien against that revenue depends on the time of delivery of the obligations. A lien for a series of obligations is prior and superior to a lien for another series of obligations subsequently delivered.

(b) For an issue or series of obligations that are authorized as a unit but delivered periodically in blocks, the board may, in the proceedings authorizing the issuance of the obligations, provide that all the obligations of the issue or series are coequal as to lien regardless of the time of delivery. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 19 (part).)

Sec. 8501.258. SINKING FUND: IN GENERAL. (a) A resolution or order authorizing the issuance of obligations under this chapter must provide for the creation of a sinking fund. Amounts sufficient

to pay the principal of and interest on the obligations shall be paid into the fund from the revenue pledged to the payment of the obligations. The payments into the fund shall be made monthly as the revenue is collected.

(b) In the manner provided by this chapter, the money in the sinking fund shall be applied, at or before maturity of the obligations, solely to:

(1) the payment of interest on the obligations for the payment of which the fund is created; and

(2) the retirement of the obligations.

(c) A resolution or order authorizing the issuance of obligations under this chapter must provide that the revenue from which the obligations are to be paid and that is pledged to the payment of the obligations shall be:

(1) set apart and paid into the sinking fund monthly as the revenue accrues and is received; and

(2) disbursed in the manner provided by this chapter.

(d) In determining the amount of revenue to be set apart, the board shall provide that the amount to be set apart and paid into the sinking fund in any year shall be not less than a fixed amount. The fixed amount must be at least sufficient to:

(1) provide for the payment of the principal of and interest on all obligations maturing and becoming payable in the year; and

(2) create a surplus or margin of 10 percent in excess of the amount needed under Subdivision (1). (Acts 44th Leg., R.S., G.L., Ch. 97, Secs. 20 (part), 22.)

Sec. 8501.259. SINKING FUND: EXCESS MONEY. (a) At the time obligations are authorized under this chapter, the board may provide that all money in the sinking fund in excess of the amount required for the payment of the principal of and interest on the outstanding obligations, for a period the board determines, shall be spent once each year under the board's order to purchase obligations for the account of which the sinking fund has been accumulated, if the obligations can be purchased at a price the board considers reasonable.

(b) The board may provide that, if the obligations contain an option permitting retirement before maturity, the excess amount shall be paid out as provided by this chapter for the purchase of the obligations. If the board is unable to purchase sufficient obligations of the issue to absorb all the surplus, the board shall call for redemption of a sufficient amount of the obligations to absorb, so far as practicable, the entire surplus remaining in the sinking fund.

(c) The board may provide that any excess amount in the sinking fund that cannot be applied to the purchase or redemption of obligations shall remain in the sinking fund to be used for payment of principal or interest, when due, or for the subsequent call of obligations for purchase or redemption in the manner provided by this section. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 20 (part).)

Sec. 8501.260. COVENANTS FOR MARKETABILITY. (a) A resolution or order authorizing the issuance of obligations under this chapter may contain covenants with the holders of the obligations on the following subjects as considered necessary to

ensure the marketability of the obligations:

(1) management and operation of the improvements and facilities of the authority;

(2) collection of fees for the use of the improvements and facilities;

(3) disposition of the fees;

(4) issuance of future obligations and creation of future liens, mortgages, and encumbrances against the improvements and facilities and the revenue of the improvements and facilities; and

(5) other pertinent matters.

(b) The covenants may not be inconsistent with this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 21.)

Sec. 8501.261. HOLDER OF OBLIGATION MAY COMPEL PERFORMANCE. (a) A holder of obligations issued under this chapter or of coupons originally attached to the obligations may enforce and compel the performance by the board of all duties required of the board by this chapter, including:

(1) setting and collecting reasonable and sufficient fees for the use of the improvements and facilities of the authority;

(2) segregating the income and revenue of the improvements and facilities; and

(3) applying the income and revenue under this chapter.

(b) The holder of the obligations or coupons may act under Subsection (a):

(1) at law or in equity; and

(2) by a suit, action, mandamus, or other proceeding. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 23 (part).)

Sec. 8501.262. HOLDER OF OBLIGATION ENTITLED TO ADMINISTRATOR OR RECEIVER. (a) If there is a default in the payment of the principal of or interest on an obligation issued under this chapter, any holder of the obligation is entitled to have an administrator or receiver appointed by a court to administer and operate, on behalf of the authority and the holders of the obligation, the improvements and facilities the revenue of which is pledged to the payment of the obligation.

(b) The administrator or receiver may:

(1) set and collect fees sufficient to:

(A) provide for the payment of operation and maintenance expenses as described by this chapter; and

(B) pay any outstanding obligations or interest coupons payable from the revenue of the improvements and facilities; and

(2) apply the income and revenue of the improvements and facilities in accordance with this chapter and the proceedings authorizing the issuance of the obligation. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 23 (part).)

Sec. 8501.263. ADDITIONAL SECURITY FOR OBLIGATION: MORTGAGE AND ENCUMBRANCE. (a) As additional security for the payment of an obligation issued under this chapter, the board may have executed in favor of the holders of the obligations an indenture mortgaging and encumbering:

(1) the improvements, facilities, and other property acquired with the proceeds of the sale of the obligation; or

(2) all the improvements, facilities, and other property of the authority.

(b) In the encumbrance, the board may provide for granting to any purchaser at a foreclosure sale under the encumbrance a franchise to operate the improvements, facilities, and other property for a term not to exceed 50 years after the date of the purchase, subject to the laws regulating the matter.

(c) The indenture:

(1) may contain the provisions the board considers proper; and

(2) is enforceable in the manner provided by the laws of this state for the enforcement of other mortgages and encumbrances. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 24 (part).)

Sec. 8501.264. SALE UNDER MORTGAGE OR ENCUMBRANCE. (a) Under a sale ordered under a mortgage or encumbrance described by Section 8501.263, a purchaser of the improvements, facilities, and other property at the sale, and the purchaser's successors or assigns, are vested with a permit and franchise to maintain and operate the improvements, facilities, and other property with powers and privileges like those held by the authority in the operation of the improvements, facilities, and other property.

(b) Instead of operating the improvements, facilities, and other property as provided by Subsection (a), the purchaser and the purchaser's successors or assigns may remove all or part of the improvements, facilities, and other property for diversion to other

purposes. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 24 (part).)

Sec. 8501.265. STATE FRANCHISE LAW NOT APPLICABLE. A statute of this state relating to the granting of franchises is not applicable to:

(1) the authorization or execution of a mortgage or encumbrance entered into under this chapter; or

(2) the grant of a franchise under this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 24 (part).)

Sec. 8501.266. DEPOSIT OF PROCEEDS. (a) The proceeds of the sale of an obligation issued under this chapter may be:

(1) deposited in one or more banks on which the purchaser of the obligations and the board agree; and

(2) deposited and paid out under the conditions and other terms to which the purchaser and board agree.

(b) The statutes of this state relating to the deposit of authority funds in the depository of the authority do not apply to the deposit of the proceeds of the sale of an obligation issued under this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 25 (part).)

Sec. 8501.267. USE OF UNSPENT PROCEEDS AFTER PROJECT COMPLETION. Any part of the proceeds of the sale of an obligation issued under this chapter that are unspent after the project for which the obligations were authorized is completed may be paid into the sinking fund for the payment of the obligation and may be used only for:

(1) the payment of the principal of the obligation; or

(2) the purpose of acquiring outstanding obligations

by purchase in the manner provided by this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 25 (part).)

Sec. 8501.268. INSURING IMPROVEMENTS AND FACILITIES. (a) The board may enter into, under terms to which the board agrees, an agreement with the purchaser of an obligation issued under this chapter to:

(1) keep all the improvements and facilities, the revenue of which is pledged to the payment of the obligation, insured with insurers of good standing against loss or damage by fire, water or flood, or another hazard that private companies that operate similar property customarily cover by insurance; and

(2) carry with one or more insurers of good standing the insurance covering the use and occupancy of the property as is customarily carried by private companies that operate similar property.

(b) The cost of the insurance shall be budgeted as a maintenance and operation expense.

(c) The insurance shall be carried for the benefit of the holder of the obligation. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 26.)

Sec. 8501.269. REFUNDING OBLIGATION. (a) The authority may authorize and issue, on terms the board considers advisable, a refunding obligation to provide for the retirement of an outstanding obligation issued by the authority under this chapter. The refunding obligation:

(1) may be issued for an obligation that is due or to become due; and

(2) is subject to the provisions of this chapter relating to the issuance of other obligations.

(b) A refunding obligation may be:

(1) exchanged for like par amounts of the outstanding obligation; or

(2) sold, with the proceeds being used to retire the outstanding obligation.

(c) The refunding obligation must be:

(1) secured in all respects to the same extent as other obligations issued under this chapter; and

(2) paid from the same revenue from which the refunded obligation was to be paid. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 28.)

Sec. 8501.270. TAX EXEMPTION. An obligation issued under this chapter is exempt from taxation by this state or by any municipal corporation, county, or other political subdivision or taxing district of this state. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 27.)

[Sections 8501.271-8501.900 reserved for expansion]

SUBCHAPTER Z. MISCELLANEOUS PROVISIONS

Sec. 8501.901. CHAPTER AS FULL AUTHORITY; OTHER STATUTES NOT APPLICABLE. (a) This chapter, without reference to other statutes of this state, is full authority for the authorization and issuance of an obligation under this chapter and for the accomplishment of all actions authorized by this chapter. No other proceedings are necessary.

(b) A statute of this state does not apply to a proceeding or

other act under this chapter if the statute:

(1) relates to:

(A) the authorization or issuance of obligations;

(B) the operation or maintenance of an improvement or facility;

(C) the grant of a franchise or permit; or

(D) the right to an election or referendum petition; or

(2) in any way impedes or restricts the implementation of the acts authorized under this chapter.

(c) Notwithstanding Subsections (a) and (b), this section does not prevent another statute from applying to the authority if the legislative intent is that the other statute supersede or operate in conjunction with this chapter. (Acts 44th Leg., R.S., G.L., Ch. 97, Sec. 30.)

[Chapters 8502-8800 reserved for expansion]

SUBTITLE H. DISTRICTS GOVERNING GROUNDWATER

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CHAPTER 8801. HARRIS-GALVESTON COASTAL SUBSIDENCE DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8801.001. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "District" means the Harris-Galveston Coastal Subsidence District.

(4) "Groundwater" means water located beneath the earth's surface. The term does not include water produced with oil in the production of oil and gas.

(5) "Subsidence" means the lowering of the elevation of the surface of land by groundwater withdrawal.

(6) "Water conservation" means a measure that seeks to make a water supply available for alternative or future use. The term includes best management practices, improved efficiency or accountability, recycling, reuse, pollution prevention, and reduction in consumption, loss, or waste.

(7) "Well" means a facility, device, or method used to withdraw groundwater from the groundwater supply.

(8) "Well owner" means a person who has an ownership

interest in a well, operates a well, owns land on which a well is located, or owns the water withdrawn or to be withdrawn from a well.

(9) "Withdrawal" means the act of extracting by pumping or some other method. (Water Code, Secs. 151.002(1), (2), (3), (5), (7), (8), (9), (10), (11).)

Sec. 8801.002. NATURE OF DISTRICT. The district is a groundwater conservation district created under Section 59, Article XVI, Texas Constitution, and is essential to accomplish the purposes of that section. (Water Code, Sec. 151.001(a).)

Sec. 8801.003. PURPOSE; LEGISLATIVE INTENT. (a) The purpose of this chapter is to provide for the regulation of groundwater withdrawal in the district to end subsidence, which contributes to or precipitates flooding or overflow of the district, including rising water resulting from a storm or hurricane.

(b) The legislature intends that the district shall administer and enforce this chapter and exercise the district's rights, powers, and duties in a manner that will effectively and expeditiously accomplish the purpose of this chapter. (Water Code, Secs. 151.004(a), (b).)

Sec. 8801.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) The works and projects accomplished by the district under powers conferred by Section 59, Article XVI, Texas Constitution, will benefit all the land and other property included in the district. (Water Code, Sec. 151.004(c).)

Sec. 8801.005. DISTRICT TERRITORY. The district includes the territory located within the boundaries of Harris County and Galveston County, as that territory may have been modified under:

(1) Section 8801.006 or its predecessor statute, former Section 151.003(b), Water Code;

(2) Subchapter J, Chapter 36, Water Code; or

(3) other law. (Water Code, Sec. 151.003(a); New.)

Sec. 8801.006. ADDITION OF ADJACENT COUNTY TO DISTRICT. (a) A county adjoining the district may be added to the district:

(1) on application by the commissioners court of the adjoining county; and

(2) by complying with the procedures provided by Subchapter K, Chapter 36, Water Code.

(b) A county added to the district under this section is subject to this chapter and the jurisdiction of the board. (Water Code, Sec. 151.003(b) (part).)

[Sections 8801.007-8801.050 reserved for expansion]

SUBCHAPTER B. DISTRICT ADMINISTRATION

Sec. 8801.051. DIRECTORS. (a) The district is governed by a board composed of 19 directors appointed as provided by this section. Directors serve for two-year, staggered terms. A director must be a qualified voter of the district.

(b) The mayor of the municipality with the largest population of any municipality in the district shall appoint six directors from that municipality. One of those directors must be a representative of industry.

(c) The mayor of the municipality with the second largest population of any municipality in the district shall appoint one director from that municipality.

(d) The mayors of all municipalities in Galveston County shall jointly appoint two directors from those municipalities.

(e) The mayor of Baytown shall appoint one director from the municipality of Baytown.

(f) The Commissioners Court of Harris County shall appoint three directors who are not residents of the municipality that has the largest population of any municipality in the district. One of those directors must be a representative of agriculture, one must be a representative of industry, and one must be a representative of municipal utility districts and a resident of a municipal utility district in the district.

(g) The Commissioners Court of Galveston County shall appoint three directors. One of those directors must be a representative of municipal utility districts and a resident of a municipal utility district in the district.

(h) The president of the Clear Lake City Water Authority and the mayors of the municipalities of Deer Park, Galena Park, La Porte, Nassau Bay, and Seabrook shall jointly appoint one director from Harris County.

(i) The mayors of the municipalities of West University Place, Southside Place, Bellaire, and Jacinto City shall jointly appoint one director from Harris County.

(j) The mayors of the municipalities of Humble, Piney Point Village, Hedwig Village, Bunker Hill Village, Hunters Creek

Village, Hilshire Village, and Spring Valley shall jointly appoint one director from Harris County. (Water Code, Sec. 151.031.)

Sec. 8801.052. APPOINTMENT OF DIRECTORS ON ADDITION OF COUNTY TO DISTRICT. (a) On addition of a county to the district under Section 8801.006, two directors are added to the board as follows:

(1) the commissioners court of the county added to the district shall appoint one director; and

(2) the mayor of the municipality that has the largest population in the added county shall appoint one director.

(b) The directors added to the board under Subsection (a) shall draw lots to establish staggered terms of office. (Water Code, Sec. 151.003(b) (part).)

Sec. 8801.053. BOARD POWERS AND DUTIES. In addition to the powers and duties described in this chapter, the board has all other powers necessary or convenient to carry out its responsibilities and accomplish the purpose of this chapter. (Water Code, Sec. 151.005(b) (part).)

Sec. 8801.054. OFFICERS. Each year, at the first meeting after the new directors take office, the directors shall select from among the directors a president, a vice president, and a secretary. (Water Code, Sec. 151.032(a).)

Sec. 8801.055. MEETINGS. The board shall hold regular meetings once each month at a time set by the board. The board may hold special meetings at the call of the president or on the written request of at least three directors. (Water Code, Sec. 151.034.)

Sec. 8801.056. VACANCIES. If a vacancy occurs on the board,

a person representing the same area as the vacating director shall be appointed as provided by Section 8801.051 to serve the unexpired term. (Water Code, Sec. 151.033.)

Sec. 8801.057. GENERAL MANAGER. (a) The board shall employ a general manager, who serves as the chief administrative officer of the district.

(b) The duties of the general manager include:

(1) administering board orders;

(2) coordinating with state, federal, and local agencies;

(3) overseeing development of district plans and programs; and

(4) performing other duties assigned by the board.

(c) The board shall determine the compensation and terms of office and employment for the general manager.

(d) The board by majority vote may discharge the general manager. (Water Code, Secs. 151.035(a) (part), (b), (c).)

Sec. 8801.058. EMPLOYEES; BOND. (a) The general manager shall employ persons necessary to properly handle district business and operation. The general manager may employ attorneys, bookkeepers, engineers, and other expert and specialized personnel considered necessary.

(b) The general manager shall determine the compensation paid to district employees.

(c) The general manager may discharge a district employee.

(d) The board shall require an employee who collects, pays, or handles district funds to furnish a good and sufficient bond.

The bond must be in an amount sufficient to safeguard the district and must be:

(1) payable to the district; and

(2) conditioned on the faithful performance of the employee's duties and on accounting for all district funds and property in the employee's hands.

(e) The district shall pay for the bond described by Subsection (d). (Water Code, Sec. 151.036.)

[Sections 8801.059-8801.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8801.101. DISTRICT POWERS AND DUTIES. (a) Except as provided by Sections 8801.102 and 8801.103, the district has all of the rights, powers, privileges, authority, functions, and duties provided by the general laws of this state, including Chapter 36, Water Code, that are applicable to groundwater conservation districts created under Section 59, Article XVI, Texas Constitution.

(b) This chapter prevails over any other law in conflict or inconsistent with this chapter. (Water Code, Secs. 151.005(a), (e).)

Sec. 8801.102. EXEMPTIONS. Sections 36.104, 36.114, 36.117, and 36.201-36.204, Water Code, do not apply to the district. (Water Code, Sec. 151.005(c).)

Sec. 8801.103. SALE OR DISTRIBUTION OF WATER PROHIBITED. The district may not sell or distribute surface water or groundwater for any purpose. (Water Code, Sec. 151.005(d).)

Sec. 8801.104. AUTHORITY TO COMPEL TESTIMONY, ADMINISTER

OATHS, AND ISSUE SUBPOENAS. If necessary to carry out its powers, duties, and functions under this chapter, the board may:

(1) compel the testimony of a person;

(2) administer an oath to a person compelled to testify before the board or a person designated by the board; and

(3) issue a subpoena to compel the testimony of a person and the production of a document. (Water Code, Sec. 151.073.)

Sec. 8801.105. REPRESENTATION BY ATTORNEY GENERAL. The attorney general shall defend the district in suits brought against the district in all district and appellate courts of this state and in the courts of the United States. (Water Code, Sec. 151.037(b).)

Sec. 8801.106. GRANTS; CONTRACTS. The district may make or accept a grant, gratuity, advance, or loan in any form to or from any public source approved by the board, including a governmental entity, and may enter into a contract, agreement, or covenant that the board considers appropriate in connection with a grant, gratuity, advance, or loan. (Water Code, Sec. 151.083(b).)

Sec. 8801.107. COOPERATION WITH GOVERNMENTAL ENTITIES. In implementing this chapter, the board may request the assistance of and cooperate with a local government or an agency of this state or of the United States. (Water Code, Sec. 151.083(a).)

Sec. 8801.108. RULES. (a) After notice and hearing, the board shall adopt rules designed to expeditiously and effectively implement this chapter and accomplish its purpose, including rules governing procedures before the board. The board shall enforce the rules.

(b) The board shall compile its rules in a book and make the rules available for use and inspection at the district's principal office. (Water Code, Sec. 151.071.)

Sec. 8801.109. HEARINGS. (a) Board hearings must be conducted as provided by this section and Section 8801.110.

(b) At a regular meeting of the board, the board shall set the dates, times, and locations for hearings to be held under this chapter. The board may hold hearings at any location in the district and may recess a hearing from day to day.

(c) A person may appear at a hearing and present testimony, evidence, exhibits, or other information in person or by counsel, or both.

(d) The board may use hearing examiners to hear a subject set for the hearing, but the board must make the decision on the subject. Procedures for use of hearing examiners shall be provided by rule. (Water Code, Secs. 151.072(a) (part), (b) (part), (f), (g), (h), (i).)

Sec. 8801.110. NOTICE OF HEARINGS. (a) Except as provided by this section, notice of hearings shall be provided according to Chapter 551, Government Code.

(b) At a meeting at which the board sets a hearing, the board shall direct the general manager of the district to give notice of the hearing.

(c) Written notice must be given to:

(1) each county and municipal government in the district; and

(2) each person that the board believes has an

interest in the subject matter of the hearing.

(d) Notice of a hearing must be published at least once in a newspaper of general circulation in each county in the district.

(e) A copy of the notice must be posted in the place where notices are usually posted at the county courthouse of each county in the district. (Water Code, Secs. 151.072(a) (part), (b) (part), (c), (d), (e).)

Sec. 8801.111. DISTRICT PLAN. (a) The board shall formulate a plan to control and prevent subsidence in the district.

(b) The plan must:

(1) reduce groundwater withdrawals to amounts that will restore and maintain sufficient artesian pressure to control and prevent subsidence; and

(2) specify in as much detail as practicable the acts, procedures, performance, and avoidance that are necessary to accomplish the purpose of this chapter.

(c) Information gathered for formulating the plan must include:

(1) a list of all wells in the district that are subject to regulation under this chapter;

(2) a list of all available sources of water, other than groundwater, in the district;

(3) the purposes for which the water described by Subdivision (2) is used and for which it is proposed to be used;

(4) accurate estimates of:

(A) groundwater withdrawal from all wells or proposed wells in the district;

(B) the amount of groundwater that may be withdrawn from each area in the district without causing a reduction of artesian pressure that will lead to subsidence in the district; and

(C) current and future water needs in the district;

(5) information relating to formulating a permit system; and

(6) other information and material necessary to manage groundwater in the district and to effectively and expeditiously accomplish the purpose of this chapter. (Water Code, Secs. 151.074, 151.075(a).)

Sec. 8801.112. ADOPTION OF DISTRICT PLAN. (a) The board shall hold a hearing to consider a plan formulated under Section 8801.111.

(b) After the hearing, the board shall:

(1) make any changes it considers necessary according to evidence and material presented at the hearing; and

(2) adopt the plan.

(c) The board may amend or repeal a plan adopted under this section and may adopt a new plan as provided by this section for the adoption of the original plan.

(d) An adopted plan remains in effect until a new plan is adopted. (Water Code, Secs. 151.075(b), (c), (d).)

Sec. 8801.113. WATER CONSERVATION MEASURES. (a) The board may adopt rules requiring the use of water conservation measures to reduce groundwater withdrawals.

(b) The district may cooperate with the commission and any local government to establish water conservation goals, guidelines, and plans to be used in the district.

(c) The district may contract with a local government in the district to provide services needed to meet water conservation requirements that the commission establishes. (Water Code, Sec. 151.079.)

Sec. 8801.114. DISTRICT RESEARCH. The district may conduct studies and research that the board considers necessary to implement this chapter. In conducting studies and research, the district may use the services of geologists, hydrologists, licensed engineers, or other expert personnel. (Water Code, Sec. 151.082.)

Sec. 8801.115. STUDIES BY BOARD STAFF. At least once each year and at any other time the board considers necessary, the board shall have its staff and, if necessary, the staff of the Texas Water Development Board make a complete study of the groundwater in the district and determine:

(1) the water level;

(2) the rates and amounts of groundwater withdrawal; and

(3) other information relating to groundwater withdrawal that may effect subsidence in the district. (Water Code, Sec. 151.076.)

Sec. 8801.116. ACCESS TO PROPERTY. (a) To perform technical and other investigations needed to implement this chapter, the board and its agents and employees are entitled to access to all property in the district.

(b) Before entering property for the purposes of this section, the person seeking access shall:

(1) give notice to the owner of the property as provided by district rules; and

(2) present proper credentials.

(c) The board and its agents and employees who enter private property shall observe the establishment's rules concerning safety, internal security, and fire protection. (Water Code, Sec. 151.038.)

Sec. 8801.117. ANNUAL GROUNDWATER WITHDRAWAL DETERMINATION. (a) Not later than March 31 of each year, the board shall hold a hearing to determine the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.

(b) At the hearing, the board shall consider information provided under Sections 8801.115 and 8801.162 and information presented by persons appearing before the board.

(c) After the hearing, the board shall:

(1) consider all information presented to it;

(2) determine groundwater withdrawal in the district during the preceding calendar year; and

(3) make findings on the effects of groundwater withdrawal during the preceding calendar year on subsidence in the district.

(d) The board's findings and determinations under Subsection (c) shall be included in a report adopted by the board. The board shall make the report available for examination by any

interested person. (Water Code, Sec. 151.077.)

Sec. 8801.118. MONITORING AND SUPERVISION BY DISTRICT. The district may use subsidence compaction monitors, water-level observation wells, and other materials and equipment to determine the amount of groundwater that may be withdrawn while allowing groundwater to rebound and stabilize to a level that will halt subsidence. (Water Code, Sec. 151.081.)

Sec. 8801.119. REGULATION OF SPACING AND GROUNDWATER WITHDRAWAL. (a) To minimize as far as practicable the drawdown of the water table and the reduction of artesian pressure and to control and prevent subsidence, the board may provide for the spacing of wells in the district and may regulate groundwater withdrawal from wells, taking into consideration the economic impact on well owners, the resulting effect on subsidence, and other relevant factors.

(b) Before issuing an order or rule under this section, the board shall set a hearing on the proposed order or rule. (Water Code, Sec. 151.078.)

Sec. 8801.120. WATER-METERING DEVICES. The board may require water-metering devices to be placed on wells in the district. (Water Code, Sec. 151.080.)

[Sections 8801.121-8801.150 reserved for expansion]

SUBCHAPTER D. REGULATORY PROVISIONS

Sec. 8801.151. GROUNDWATER WITHDRAWALS SUBJECT TO BOARD RULE. Groundwater withdrawals governed by this chapter are subject to reasonable board rules and orders, taking into account all factors, including availability of surface water, economic impact

on persons and the community, degree and effect of subsidence on the surface of land, and differing topographical and geophysical characteristics of land areas in the district. (Water Code, Sec. 151.005(b) (part).)

Sec. 8801.152. CERTAIN WELLS EXEMPT. The regulatory provisions of this chapter do not apply to:

(1) a well regulated under Chapter 27, Water Code;

(2) a well with a casing diameter of less than five inches that serves a single-family dwelling; and

(3) any other well as provided by board rule. (Water Code, Sec. 151.084(a).)

Sec. 8801.153. RESTRICTION ON REQUIREMENTS FOR CERTAIN MUNICIPALITIES. The board may require a municipality with a population of less than 100,000 to reduce its groundwater withdrawal by more than 50 percent in a three-year period only if the board determines at a public hearing that the reduction:

(1) would not cause the municipality to have an inadequate supply of water for its residents; and

(2) would not cause an increase of 50 percent or more in water rates for the municipality or its residents. (Water Code, Sec. 151.126(f).)

Sec. 8801.154. WELL REGISTRATION. The board by rule may require the registration of any well in the district. (Water Code, Sec. 151.084(b).)

Sec. 8801.155. PERMIT REQUIRED. The owner or operator of a well located in the district must obtain a permit from the board before:

(1) drilling, equipping, or completing the well;

(2) substantially altering the size of the well or a well pump; or

(3) operating the well. (Water Code, Secs. 151.002(4), 151.121.)

Sec. 8801.156. APPLICATION FOR PERMIT. (a) A person must submit an application to the board to obtain a permit under this chapter.

(b) The application must state:

(1) the name and address of the person requesting the permit;

(2) the location and wellhead elevation of the well or proposed well;

(3) the amount of water being withdrawn or proposed to be withdrawn; and

(4) any other information necessary for the board to control and prevent subsidence in the district.

(c) The board shall set a reasonable fee for processing an application. The application must be accompanied by the fee. (Water Code, Sec. 151.124.)

Sec. 8801.157. NOTICE AND HEARING ON PERMIT. (a) On receiving an application for a permit, the board shall issue notice and set a time for a hearing on the application.

(b) The board must give notice of the date, time, and location of the hearing to the applicant by certified mail, return receipt requested.

(c) The board may consider as many applications for permits

as necessary at a hearing. (Water Code, Sec. 151.125.)

Sec. 8801.158. ISSUANCE OF PERMIT. (a) Within a reasonable period after a permit hearing under Section 8801.157, but not later than the 60th day after the date of the hearing, the board shall:

(1) decide whether to issue the permit; and

(2) set the terms of the permit if it decides to issue the permit.

(b) In deciding whether to issue a permit and in setting the terms of the permit, the board shall consider:

(1) the purpose of this chapter;

(2) the district plan;

(3) the quality, quantity, and availability of surface water at prices that are competitive with prices charged by suppliers of surface water in the district;

(4) the economic impact on the applicant of a decision to issue or deny the permit, or of the permit terms, in relation to the effect on subsidence that would result;

(5) the applicant's use of water conservation measures; and

(6) all other relevant factors.

(c) The board shall issue a permit to an applicant if, on presentation of adequate proof, the board finds that:

(1) there is no other adequate and available substitute or supplemental source of surface water at prices competitive with the prices charged by suppliers of surface water in the district; and

(2) compliance with any provision of this chapter or any district rule will result in an arbitrary taking of property or in the practical closing and elimination of a lawful business, occupation, or activity without sufficient corresponding benefit or advantage to the public.

(d) The permit must state the terms prescribed by the board. The permit must include:

(1) the name and address of the person to whom the permit is issued;

(2) the location of the well;

(3) the date the permit expires;

(4) conditions and restrictions placed on groundwater withdrawal; and

(5) other terms necessary to control and prevent subsidence. (Water Code, Secs. 151.126(a), (b), (c), (d), (e).)

Sec. 8801.159. TERM OF PERMIT. (a) A permit issued under this chapter may be for a term not to exceed five years as set by the board.

(b) A permit does not become a vested right of the permit holder. The board may revoke or suspend a permit or amend its terms after notice and hearing when reasonably necessary to accomplish the purpose of this chapter. (Water Code, Sec. 151.122.)

Sec. 8801.160. RENEWAL OF PERMIT. The board may renew a permit for a well in the manner provided for obtaining the original permit. (Water Code, Sec. 151.123.)

Sec. 8801.161. PERMIT FEES. (a) When the board issues or renews a permit, the board shall collect a permit fee from the

applicant. The fee shall be determined by a schedule based on the term of the permit and the maximum annual amount of groundwater that the board authorizes to be withdrawn from the well.

(b) The board shall determine the amount of a permit fee after a hearing. The fee may not exceed 110 percent of the highest rate that the City of Houston charges for surface water supplied to its customers in the district.

(c) The amount of a permit fee applicable to a well used for irrigating agricultural crops is the lowest of:

(1) 70 percent of the lowest amount determined under Subsection (b);

(2) 70 percent of a base amount of one cent for each thousand gallons authorized to be withdrawn, except that the board may adjust the base amount annually to account for increases since 1992 in the most recently published Consumer Price Index for All Urban Consumers, All Items (Houston, Texas, Average), as compiled by the Bureau of Labor Statistics, United States Department of Labor; or

(3) the amount determined in accordance with Subsection (d).

(d) At a hearing, the board shall calculate and express as a percentage the relative contribution to subsidence by wells used for irrigating agricultural crops and wells used for other purposes. The board shall use information prepared by the United States Geological Survey, which is presumed to be correct. The permit fee for wells used for irrigating agricultural crops must be such that the percentage of total permit fee revenue that permit fee

revenue from those wells represents equals the percentage that agricultural use contributes to subsidence.

(e) The board shall use permit fees collected under this section to pay the cost of issuing permits and performing other regulatory functions. (Water Code, Sec. 151.128.)

Sec. 8801.162. ANNUAL REPORT. Before January 31 each year, a well owner who holds a permit under this chapter shall submit to the board a report stating:

(1) the well owner's name;

(2) the total amount of groundwater withdrawn from the well during the preceding 12-month period;

(3) the total amount of groundwater withdrawn from the well during each month of the preceding 12-month period;

(4) the purpose for which the groundwater was used; and

(5) any other information the board considers necessary. (Water Code, Sec. 151.127.)

Sec. 8801.163. CONVERSION TO SURFACE WATER. (a) In this section, "alternative water supply" means a water supply that a person needs to acquire from sources other than the person's own groundwater supply to comply with a board order issued under this section.

(b) The board may issue an order requiring a person to completely or partially discontinue the use of groundwater only if the person is able to acquire a water supply composed of surface water needed to replace the water supply covered by the order.

(c) A notice of public hearing must inform a person when the

board will consider an order to convert to surface water.

(d) In addition to the percentage of groundwater that a board order authorizes a person to use, the person may use in the current permit year a percentage of groundwater that is equal to the percentage result of multiplying the annual average percentage of groundwater, as determined under Section 8801.164(d), delivered to the person during the preceding permit year by the total percentage of alternative water supply required by the board's order for the current year.

(e) This section does not limit the board's authority to issue an order or adopt a rule requiring a person to reduce groundwater use by eliminating waste or implementing water conservation. (Water Code, Secs. 151.129(a), (d) (part), (f), 151.163(a) (part).)

Sec. 8801.164. MONITORING OF ALTERNATIVE WATER SUPPLY. (a) In this section, "alternative water supply" has the meaning assigned by Section 8801.163.

(b) If a person who is issued an order under Section 8801.163 acquires an alternative water supply and files with the commission a written request for monitoring the supply, the commission shall monitor annually the water delivered to the person from the date of the request to the expiration of the annual permit to determine the percentage of the water that is surface water and the percentage that is groundwater.

(c) If required under Subsection (b) to monitor water deliveries, the commission shall monitor the deliveries at random times at all points of connection between the purchaser's and

seller's water systems. Samples taken through monitoring must be analyzed by water chemists employed by or contracting with the commission. The water chemist making each analysis shall issue a certified written analysis of the percentages of surface water and groundwater included in the sample.

(d) Not later than the 15th day after the last day of each permit year, the commission shall issue a certified written analysis based on all samples collected that states the annual average percentages of surface water and groundwater that the seller provided to the purchaser for the permit year.

(e) The commission shall make results of an analysis under this section available on request to the purchaser, seller, or board.

(f) The commission shall assess reasonable fees to cover the costs of water sampling and analysis under this section. The commission shall assess one-half of the fees to the purchaser and one-half to the seller. (Water Code, Secs. 151.129(b), (c), (d) (part), (e).)

[Sections 8801.165-8801.200 reserved for expansion]

SUBCHAPTER E. APPEAL AND ENFORCEMENT PROVISIONS

Sec. 8801.201. APPEAL OF SURFACE WATER RATES. (a) A person who is required to convert to surface water under this chapter and who purchases that water supply wholesale from a political subdivision as defined by Section 12.013(b), Water Code, may appeal to the commission the rates the political subdivision charges to the person. Chapter 12, Water Code, and rules adopted under that chapter apply to an appeal under this section.

(b) The commission shall hear the appeal not later than the 180th day after the date the appeal is filed.

(c) The commission shall issue a final decision on the appeal not later than the 60th day after the date the hearing ends. (Water Code, Sec. 151.161.)

Sec. 8801.202. APPEAL OF DISTRICT ACTIONS. (a) A person who is adversely affected by a rule, order, or other official action of the district under this chapter, including a person residing in or owning real property in the district whose residence or real property is subsiding, may appeal the action in a district court in any county in the district. An appeal under this section must be filed not later than the 45th day after the date the action is taken.

(b) On a written request from a person residing in or owning real property in the district, the board shall make written findings and conclusions regarding a rule, order, or other official action of the district. The board shall provide certified copies of those findings and conclusions to the person not later than the 35th day after the date the board receives the request.

(c) An appeal under this section is governed by the substantial evidence rule as provided by Subchapter G, Chapter 2001, Government Code. (Water Code, Sec. 151.162.)

Sec. 8801.203. ALTERNATIVE APPEAL OF CERTAIN DISTRICT ACTIONS TO COMMISSION. (a) As an alternative to the appeal procedure provided by Section 8801.202, a person who is granted a permit authorizing groundwater withdrawal in an amount less than the person requested may appeal the board's final decision to the

commission. The person must file the appeal not later than the 60th day after the date the board issues its final order.

(b) On a written request from a person proposing to appeal an order under this section, the board shall make written findings and conclusions regarding the order. The board shall provide certified copies of the findings and conclusions to the person not later than the 35th day after the date the board receives the request.

(c) The effect of a board order is stayed until the commission's decision on an appeal under this section is final.

(d) An appeal to the commission under this section is governed by the substantial evidence rule as provided by Subchapter G, Chapter 2001, Government Code.

(e) The commission may:

(1) adopt rules necessary to implement this section; and

(2) adopt and assess reasonable and necessary fees adequate to recover the commission's costs in administering this section.

(f) An appeal of a final commission decision is to a district court in Travis County. The appeal shall be under the substantial evidence rule. A party appealing a decision of the district court is not required to provide an appeal bond. (Water Code, Secs. 151.163(a) (part), (b), (c), (d), (e), (f) (part), (g), (h).)

Sec. 8801.204. INJUNCTIVE RELIEF; CIVIL PENALTY. (a) If it appears that a person has violated or is violating or threatening

to violate this chapter or a rule, permit, or other order of the district issued or adopted under this chapter, the district may institute an action in a district court in the district for:

(1) injunctive relief to restrain the person from continuing the violation or threat of violation;

(2) the assessment and recovery of a civil penalty of not less than $50 and not more than $5,000 for each violation and for each day of a continuing violation; or

(3) both injunctive relief and civil penalties.

(b) On application for injunctive relief and a finding that a person is violating or threatening to violate this chapter or a rule, permit, or other order of the district under this chapter, the district court shall grant injunctive relief as the facts warrant.

(c) At the request of the board, or the general manager if authorized by the board, the attorney general shall institute and conduct an action in the name of the district for injunctive relief or to recover a civil penalty, or both.

(d) The district is not required to post a bond or other security with the court. (Water Code, Sec. 151.164.)

[Chapters 8802-9000 reserved for expansion]

SUBTITLE I. WATER CONTROL AND IMPROVEMENT DISTRICTS

[Chapters 9001 and 9002 reserved for expansion]

CHAPTER 9003. AQUILLA-HACKBERRY CREEK CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9003.001. DEFINITIONS

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CHAPTER 9003. AQUILLA-HACKBERRY CREEK CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9003.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Aquilla-Hackberry Creek Conservation District. (V.A.C.S. Art. 8280-222, Sec. 1 (part); New.)

Sec. 9003.002. NATURE OF DISTRICT. The district is a conservation and reclamation district and a political subdivision created under Section 59, Article XVI, Texas Constitution. (V.A.C.S. Art. 8280-222, Sec. 1 (part).)

Sec. 9003.003. LEGISLATIVE DECLARATION AND FINDINGS. (a) The legislature declares that:

(1) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution; and

(2) this chapter addresses a subject in which the state and general public are interested.

(b) The legislature finds that:

(1) all land included in the district will be benefited; and

(2) the district is created to serve a public use and benefit. (V.A.C.S. Art. 8280-222, Secs. 3 (part), 10 (part).)

Sec. 9003.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 3, Chapter 183, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-222, Vernon's Texas Civil Statutes), as that territory may have been modified under:

(1) Subchapter O, Chapter 51, Water Code, before September 1, 1995;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law. (New.)

Sec. 9003.005. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed to accomplish its purposes. (V.A.C.S. Art. 8280-222, Sec. 10 (part).)

[Sections 9003.006-9003.050 reserved for expansion]

SUBCHAPTER B. ADMINISTRATION

Sec. 9003.051. BOARD. The board consists of five directors. (V.A.C.S. Art. 8280-222, Sec. 4(a) (part).)

Sec. 9003.052. QUALIFICATIONS FOR OFFICE. A director of the district must be:

(1) at least 21 years of age;

(2) a resident of the state; and

(3) the owner of taxable property in the district. (V.A.C.S. Art. 8280-222, Sec. 4(a) (part).)

Sec. 9003.053. BOND. Each director shall make bond in the amount of $5,000 for the faithful performance of the director's duties. (V.A.C.S. Art. 8280-222, Sec. 4(a) (part).)

Sec. 9003.054. ORDER FOR DIRECTORS ELECTION. The election order for a directors election shall state the time, place, and

purpose of the election. (V.A.C.S. Art. 8280-222, Sec. 4(c) (part).)

Sec. 9003.055. NOTICE OF ELECTION. Notice of the directors election shall be published two times in a newspaper of general circulation in the district at least 30 days before the election. (V.A.C.S. Art. 8280-222, Sec. 4(c) (part).)

Sec. 9003.056. ELECTION RESULTS. (a) The candidate receiving the highest number of votes for a position shall be declared elected as a director of the district.

(b) The board shall enter an order declaring the results of the election. (V.A.C.S. Art. 8280-222, Sec. 4(c) (part).)

Sec. 9003.057. PETITION. (a) Any candidate for director may have the candidate's name printed on the ballot by submitting a petition signed by at least 25 persons qualified to vote at the election.

(b) The petition must be presented to the secretary of the board not later than the 21st day before the date of the election. (V.A.C.S. Art. 8280-222, Sec. 4(d).)

Sec. 9003.058. COMPENSATION. (a) Unless the board by resolution increases the fee to an amount authorized by Section 49.060, Water Code, a director is entitled to receive an amount determined by the board, not to exceed $40 a day, for:

(1) each day the director attends a meeting of the board; or

(2) each day the director otherwise devotes to the business of the district.

(b) A director is entitled to reimbursement for actual

expenses incurred in attending to district business, provided the service and expense are expressly approved by the board. (V.A.C.S. Art. 8280-222, Sec. 4(f).)

Sec. 9003.059. APPOINTMENT OF SECRETARY AND TREASURER. The board shall appoint a secretary and a treasurer. The board may combine the offices of secretary and treasurer. The secretary or treasurer is not required to be a director. (V.A.C.S. Art. 8280-222, Sec. 4(g) (part).)

Sec. 9003.060. VOTE BY BOARD PRESIDENT. The president has the same right to vote as any other director. (V.A.C.S. Art. 8280-222, Sec. 4(g) (part).)

Sec. 9003.061. EMPLOYEES. The board may employ a general manager, attorneys, accountants, engineers, or other technical or nontechnical employees or assistants and set the amount and manner of their compensation. (V.A.C.S. Art. 8280-222, Sec. 4(h) (part).)

Sec. 9003.062. DISTRICT SEAL. The board may adopt a seal for the district. (V.A.C.S. Art. 8280-222, Sec. 4(g) (part).)

[Sections 9003.063-9003.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9003.101. GENERAL POWERS. (a) The district has all the rights, powers, and privileges granted water control and improvement districts by:

(1) Chapter 51, Water Code; and

(2) other laws relating to water control and improvement districts.

(b) To the extent a general law described by Subsection (a) conflicts or is inconsistent with this chapter, this chapter

prevails.

(c) In addition to powers granted the district under other law, the district has the power to:

(1) control, store, conserve, protect, distribute, and use the storm and flood waters in the district for all useful purposes permitted by law;

(2) implement flood prevention and control measures in the district and prevent or aid in preventing damage to district lands and the soil and fertility of those lands;

(3) receive and accept technical and financial assistance from other districts or state agencies or from the United States to accomplish district purposes; and

(4) purchase, construct, maintain, or in any other manner acquire, provide, and develop all works, facilities, improvements, lands, easements, and properties that may be necessary or useful in fulfilling any purpose of the district. (V.A.C.S. Art. 8280-222, Secs. 2 (part), 4(a) (part).)

Sec. 9003.102. SURVEYS; ENGINEERING INVESTIGATIONS. The board may conduct or provide for surveys and engineering investigations for district purposes. (V.A.C.S. Art. 8280-222, Sec. 4(h) (part).)

Sec. 9003.103. EXPENDITURES. The board may provide for the payment of expenditures considered essential to the proper maintenance of the district and its business. (V.A.C.S. Art. 8280-222, Sec. 4(h) (part).)

Sec. 9003.104. LIMITATION ON EMINENT DOMAIN. The district's powers of eminent domain are limited to Hill and

McLennan counties. (V.A.C.S. Art. 8280-222, Sec. 9 (part).)

Sec. 9003.105. COST OF RELOCATING PROPERTY. If the district's exercise of eminent domain or of another power granted by this chapter makes necessary relocating, raising, rerouting, changing the grade of, or altering the construction of any highway, railroad, electric transmission line, telephone or telegraph properties and facilities, or pipeline, all the necessary relocating, raising, rerouting, changing of grade, or alteration of construction shall be accomplished at the sole expense of the district. (V.A.C.S. Art. 8280-222, Sec. 9 (part).)

[Sections 9003.106-9003.150 reserved for expansion]

SUBCHAPTER D. TAXES AND BONDS

Sec. 9003.151. AUTHORITY TO IMPOSE TAX; TAX ELECTIONS. (a) If authorized at an election under Section 49.107, Water Code, the district may impose annual ad valorem taxes to provide funds:

(1) necessary to construct or acquire, maintain, and operate works, plants, and facilities considered essential or beneficial to the district and its purposes; or

(2) adequate to defray the cost of the maintenance, operation, and administration of the district.

(b) Elections for the imposition of taxes shall be:

(1) ordered by the board; and

(2) held and conducted in the manner provided by general law relating to elections for the authorization of bonds of water control and improvement districts.

(c) In calling an election for taxes authorized by

Subsection (a), the board shall specify the maximum tax rate. A tax in excess of that amount may not be imposed without submitting the question of the increased rate to the voters. (V.A.C.S. Art. 8280-222, Secs. 3 (part), 5 (part).)

Sec. 9003.152. TAX LIEN. All taxes imposed by the district for any purpose constitute a lien on the property taxed. Limitation does not bar the enforcement or collection of those taxes. (V.A.C.S. Art. 8280-222, Sec. 5 (part).)

Sec. 9003.153. ISSUANCE OF BONDS. (a) To accomplish district purposes, the board may borrow money and issue bonds in the manner provided by general law.

(b) In the resolution authorizing the bonds, the district may set aside an amount from the bond proceeds for:

(1) the payment of interest expected to accrue during construction; and

(2) a reserve interest and sinking fund.

(c) Bond proceeds may be used to pay all expenses necessarily incurred in accomplishing district purposes, including the expenses of issuing and selling the bonds.

(d) Pending the use of bond proceeds for the purpose for which the bonds were issued, the board may invest the proceeds in obligations of or guaranteed by the United States.

(e) Bonds payable wholly from the district's net revenue, from the proceeds of any water contracts, or from any source other than ad valorem taxes may be issued pursuant to a board resolution without a hearing or election. The resolution must be authorized by unanimous vote of all directors. (V.A.C.S. Art. 8280-222, Sec. 6

(part).)

Sec. 9003.154. TAX STATUS OF BONDS. All bonds issued by the district, the transfer of the bonds, and the income from the bonds, including profits from the sale of the bonds, may not be taxed by the state or by any municipal corporation, county, or other political subdivision or taxing district of the state. (V.A.C.S. Art. 8280-222, Sec. 8.)

[Chapters 9004-9300 reserved for expansion]

SUBTITLE J. WATER IMPROVEMENT DISTRICTS

CHAPTER 9301. CAMERON COUNTY WATER IMPROVEMENT DISTRICT NUMBER TEN

Sec. 9301.001. DEFINITION
Sec. 9301.002. NATURE OF DISTRICT
Sec. 9301.003. PURPOSE
Sec. 9301.004. DISTRICT TERRITORY
Sec. 9301.005. LEGISLATIVE FINDINGS
Sec. 9301.006. GOVERNING LAW; POWERS AND DUTIES
Sec. 9301.007. BOARD OF DIRECTORS

CHAPTER 9301. CAMERON COUNTY WATER IMPROVEMENT DISTRICT NUMBER TEN

Sec. 9301.001. DEFINITION. In this chapter, "district" means the Cameron County Water Improvement District Number Ten. (New.)

Sec. 9301.002. NATURE OF DISTRICT. The district is a conservation and reclamation district created under Section 59, Article XVI, Texas Constitution. (Acts 41st Leg., 1st C.S., Ch. 110, Sec. 1 (part).)

Sec. 9301.003. PURPOSE. The purposes of the district are:

(1) to reclaim and irrigate the district's arid, semiarid, and other lands needing irrigation;

(2) to reclaim and drain the district's overflowed lands and other lands needing drainage; and

(3) all other purposes under Section 59, Article XVI, Texas Constitution. (Acts 41st Leg., 1st C.S., Ch. 110, Sec. 1 (part).)

Sec. 9301.004. DISTRICT TERRITORY. The district is composed of the territory described by Section 1, Chapter 110, Acts of the 41st Legislature, 1st Called Session, 1929, as that territory may have been modified under:

(1) Chapter 2, Title 128, Revised Statutes, before August 30, 1971;

(2) Chapter 55, Water Code, before September 1, 1995;

(3) Subchapter J, Chapter 49, Water Code; or

(4) other law. (New.)

Sec. 9301.005. LEGISLATIVE FINDINGS. The legislature determines that:

(1) all property within the boundaries of the district is benefited by the creation of the district;

(2) no property not benefited by the creation of the district is included in the district's boundaries; and

(3) the district is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. (Acts 41st Leg., 1st C.S., Ch. 110, Secs. 1 (part), 11 (part).)

Sec. 9301.006. GOVERNING LAW; POWERS AND DUTIES. (a) The

district is governed by Chapters 49 and 55, Water Code.

(b) The district has the rights, powers, privileges, duties, and functions of a water improvement district under the Texas Constitution and general law, including Chapters 49 and 55, Water Code. (Acts 41st Leg., 1st C.S., Ch. 110, Secs. 1 (part), 2, 11 (part).)

Sec. 9301.007. BOARD OF DIRECTORS. (a) The board consists of five directors.

(b) A director must meet the qualifications for a director under Chapter 55, Water Code. (Acts 41st Leg., 1st C.S., Ch. 110, Sec. 3 (part).)

[Chapters 9302-9500 reserved for expansion]

SUBTITLE K. SEAWALL COMMISSIONS

CHAPTER 9501. SEAWALL COMMISSION IN MATAGORDA COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9501.001. DEFINITIONS

Sec. 9501.002. AUTHORITY TO ESTABLISH COMMISSION

Sec. 9501.003. JURISDICTION

Sec. 9501.004. LAWSUITS

[Sections 9501.005-9501.050 reserved for expansion]

SUBCHAPTER B. COMMISSION

Sec. 9501.051. COMMISSION; TERMS

Sec. 9501.052. APPOINTMENT OF MEMBERS; VACANCY

Sec. 9501.053. ELIGIBILITY FOR APPOINTMENT

Sec. 9501.054. OATH

Sec. 9501.055. BOND

Sec. 9501.056. PRESIDING OFFICER

Sec. 9501.057. COMPENSATION; CERTIFIED REPORT

Sec. 9501.058. REMOVAL FROM OFFICE

Sec. 9501.059. TREASURER

Sec. 9501.060. AUDITOR

Sec. 9501.061. EMPLOYMENT OF ATTORNEY

[Sections 9501.062-9501.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9501.101. COMMISSION POWERS

Sec. 9501.102. AUTHORITY TO CONTRACT

Sec. 9501.103. PURCHASING AND CONTRACTING

Sec. 9501.104. ANNUAL REPORT REQUIRED

Sec. 9501.105. CONDEMNATION PROCEEDINGS

[Sections 9501.106-9501.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 9501.151. AD VALOREM TAX

Sec. 9501.152. ASSESSMENT AND COLLECTION OF TAXES

Sec. 9501.153. DISBURSEMENT OF FUNDS

CHAPTER 9501. SEAWALL COMMISSION IN MATAGORDA COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 9501.001. DEFINITIONS. In this chapter:

(1) "Commission" means a seawall commission established under Section 9501.002.

(2) "Commissioners court" means the Commissioners Court of Matagorda County. (New.)

Sec. 9501.002. AUTHORITY TO ESTABLISH COMMISSION. (a) The commissioners court and the governing body of a municipality in Matagorda County by resolution may establish a seawall commission

to perform the functions described by Section 421.002, Local Government Code.

(b) A resolution authorized by Subsection (a) must specify the date on which the commission is established. (Loc. Gov. Code, Secs. 421.021(a), (b).)

Sec. 9501.003. JURISDICTION. (a) Except as provided by Subsection (b), the commission has jurisdiction only in county commissioners precinct number three in Matagorda County, as that precinct existed on December 31, 1959.

(b) The commission does not have jurisdiction in the municipality of Bay City. (Loc. Gov. Code, Sec. 421.021(c).)

Sec. 9501.004. LAWSUITS. The commission may sue and be sued in a court in this state. (Loc. Gov. Code, Sec. 421.023(h).)

[Sections 9501.005-9501.050 reserved for expansion]

SUBCHAPTER B. COMMISSION

Sec. 9501.051. COMMISSION; TERMS. The commission is composed of three members appointed for staggered terms of six years, with one member's term expiring every two years. (Loc. Gov. Code, Sec. 421.022(a).)

Sec. 9501.052. APPOINTMENT OF MEMBERS; VACANCY. (a) The members of the commission shall be appointed as follows:

(1) one member by the commissioners court;

(2) one member by the governing body of the municipality; and

(3) one member by the commissioners court and the governing body of the municipality, acting jointly.

(b) On expiration of a member's term of office, the office

shall be filled by the authority that originally appointed the member.

(c) If a vacancy occurs during the term, it shall be filled for the remainder of the term by the original appointing authority. (Loc. Gov. Code, Sec. 421.022(b).)

Sec. 9501.053. ELIGIBILITY FOR APPOINTMENT. To be eligible for appointment as a member of the commission, a person must own real property in and be a qualified voter of the area in which the commission has jurisdiction. (Loc. Gov. Code, Sec. 421.022(c).)

Sec. 9501.054. OATH. (a) Before assuming the duties of office, each member must:

(1) take the constitutional oath of office and swear in writing before the county judge that the member will faithfully and impartially discharge the duties of the office; and

(2) on the request of the commissioners court or the governing body of the municipality, give an account of the member's activities.

(b) The clerk of the county court shall file and maintain the oath of office as part of the records of the commission. (Loc. Gov. Code, Secs. 421.0221(a), (b).)

Sec. 9501.055. BOND. Each member of the commission shall execute a bond in the amount of $1,000 that is:

(1) payable to the county judge for the benefit of the commission; and

(2) conditioned on the faithful performance of the member's official duties. (Loc. Gov. Code, Sec. 421.0221(c).)

Sec. 9501.056. PRESIDING OFFICER. (a) The members of the

commission shall annually elect one member as presiding officer.

(b) The presiding officer shall:

(1) preside over commission meetings; and

(2) sign each contract, warrant, or other instrument made or issued by the commission. (Loc. Gov. Code, Sec. 421.022(e).)

Sec. 9501.057. COMPENSATION; CERTIFIED REPORT. (a) The commissioners court and the governing body of the municipality by order or resolution shall set the compensation of members of the commission. The amount of compensation for each member may not exceed $50 for each day that the member attends an official meeting of the commission. The total amount of compensation for each member each month may not exceed $300.

(b) Each member shall submit to the county auditor for each pay period a certified report that describes in detail each time the member attended an official meeting of the commission. The report must be submitted on a date prescribed by the commissioners court and the governing body of the municipality. (Loc. Gov. Code, Secs. 421.0221(d), (e).)

Sec. 9501.058. REMOVAL FROM OFFICE. The commissioners court and the governing body of the municipality, by a majority vote in a joint session, may remove a member of the commission from office only for malfeasance. (Loc. Gov. Code, Sec. 421.022(d).)

Sec. 9501.059. TREASURER. The county treasurer of Matagorda County shall serve as treasurer of the commission. (Loc. Gov. Code, Sec. 421.022(f).)

Sec. 9501.060. AUDITOR. The county auditor for Matagorda

County is the auditor for the commission. (Loc. Gov. Code, Sec. 421.024(b).)

Sec. 9501.061. EMPLOYMENT OF ATTORNEY. The commission may employ an attorney for legal services required by the commission. (Loc. Gov. Code, Sec. 421.023(j).)

[Sections 9501.062-9501.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 9501.101. COMMISSION POWERS. The commission may exercise the authority granted to a county or municipality under Section 421.002, 421.003, 421.004, or 421.005 or Section 421.011(a) or (b), Local Government Code. (Loc. Gov. Code, Sec. 421.023(g).)

Sec. 9501.102. AUTHORITY TO CONTRACT. The commission may enter into a contract relating to the performance of any function described by Section 421.002, Local Government Code. (Loc. Gov. Code, Sec. 421.023(e).)

Sec. 9501.103. PURCHASING AND CONTRACTING. The commission, in the performance of functions under this chapter, has the same powers granted to a county under Subchapter C, Chapter 262, and Chapter 271, Local Government Code, and is subject to the same requirements imposed on a county under those provisions. (Loc. Gov. Code, Sec. 421.025.)

Sec. 9501.104. ANNUAL REPORT REQUIRED. The commission shall annually submit a report to the commissioners court and the governing body of the municipality. The report must:

(1) describe the commission's financial condition and operations during the preceding year;

(2) propose a budget for the following year; and

(3) describe generally the work proposed for the following year. (Loc. Gov. Code, Sec. 421.023(d).)

Sec. 9501.105. CONDEMNATION PROCEEDINGS. (a) A condemnation proceeding brought by the commission must be brought in the name of the commission and under the direction of the commission.

(b) An appeal from a finding and assessment of damages as provided by Chapter 21, Property Code, does not suspend work of the commission. (Loc. Gov. Code, Sec. 421.023(i).)

[Sections 9501.106-9501.150 reserved for expansion]

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 9501.151. AD VALOREM TAX. (a) The commission may impose an ad valorem tax on real property within the commission's jurisdiction.

(b) The commission shall determine the tax rate, which may not exceed 10 cents for each $100 valuation of property.

(c) Revenue from the tax may be used only to pay for functions of the commission. (Loc. Gov. Code, Secs. 421.023(a), (b), (c).)

Sec. 9501.152. ASSESSMENT AND COLLECTION OF TAXES. The county tax assessor and collector shall assess and collect taxes imposed by the commission in the manner provided by law for the assessment and collection of county taxes. (Loc. Gov. Code, Sec. 421.024(a).)

Sec. 9501.153. DISBURSEMENT OF FUNDS. The commission may disburse funds set aside by the commissioners court and the governing body of the municipality for the performance of the

commission's functions. (Loc. Gov. Code, Sec. 421.023(f).)

[Chapters 9502-11000 reserved for expansion]

SUBTITLE X. DISTRICTS WITH COMBINED POWERS

CHAPTER 11001. ROAD DISTRICT AUTHORITY OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

Sec. 11001.001. DEFINITIONS
Sec. 11001.002. ROAD DISTRICT POWERS AND DUTIES
Sec. 11001.003. MASTER PLAN APPROVAL AND ADOPTION
Sec. 11001.004. MASTER PLAN CONTENT
Sec. 11001.005. MASTER PLAN IMPLEMENTATION
Sec. 11001.006. MASTER PLAN ANNUAL HEARING
Sec. 11001.007. MONTHLY CHARGES
Sec. 11001.008. CITY OR COUNTY APPROVAL OF PLANS AND SPECIFICATIONS
Sec. 11001.009. INSPECTIONS, SAMPLING, AND TESTING
Sec. 11001.010. CONVEYANCE OF IMPROVEMENTS
Sec. 11001.011. ADDITIONAL POWERS
Sec. 11001.012. REPORT TO CERTAIN LEGISLATORS
Sec. 11001.013. TERMINATION OF ROAD DISTRICT AUTHORITY; DISTRIBUTION OF DISTRICT MONEY

CHAPTER 11001. ROAD DISTRICT AUTHORITY OF BASTROP COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 2

Sec. 11001.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Bastrop County Water Control and Improvement District No. 2. (Acts 75th Leg., R.S., Ch. 47,

Secs. 1(1), (4).)

Sec. 11001.002. ROAD DISTRICT POWERS AND DUTIES. (a) The district has all of the rights, powers, privileges, functions, responsibilities, and duties that general law grants a road district created under Section 52, Article III, Texas Constitution.

(b) The board, within the district's boundaries, may exercise the powers that the commissioners court of a county may exercise under Chapter 257, Transportation Code, to the extent that chapter can be applied.

(c) To the extent this chapter conflicts with general law, this chapter controls. (Acts 75th Leg., R.S., Ch. 47, Sec. 2.)

Sec. 11001.003. MASTER PLAN APPROVAL AND ADOPTION. (a) The district shall adopt a master plan for all road improvements.

(b) The district shall submit the master plan to the governing bodies of the City of Bastrop and Bastrop County before the plan is adopted.

(c) The district may not adopt the master plan until the plan is approved by the governing body of:

(1) the City of Bastrop, for improvements to be made in the city's jurisdiction; and

(2) Bastrop County, for improvements to be made in the county's jurisdiction.

(d) Not later than the 61st day after the date the applicable governing body receives the master plan, the governing body shall review the plan and present the district with any proposed revisions necessary to obtain the governing body's

approval of the plan.

(e) The district shall review proposed plan revisions at a public hearing held for that purpose.

(f) The district must adopt the master plan at a public hearing. (Acts 75th Leg., R.S., Ch. 47, Secs. 3(a) (part), 4.)

Sec. 11001.004. MASTER PLAN CONTENT. The master plan must include:

(1) a map of the district boundaries that shows:

(A) the proposed improvements; and

(B) how the proposed improvements would connect to other entities' road and drainage systems; and

(2) a written plan that contains:

(A) general objectives for the proposed improvements;

(B) the sequence of the improvements;

(C) the estimated date of completion of each phase of the proposed improvements;

(D) the estimated cost of each phase of the proposed improvements;

(E) an analysis of the district's projected revenues compared with the projected costs; and

(F) a proposed timetable for completion of the proposed improvements. (Acts 75th Leg., R.S., Ch. 47, Sec. 3(b).)

Sec. 11001.005. MASTER PLAN IMPLEMENTATION. The district shall make all road improvements in accordance with the master plan. (Acts 75th Leg., R.S., Ch. 47, Sec. 3(a) (part).)

Sec. 11001.006. MASTER PLAN ANNUAL HEARING. The district

shall conduct an annual public hearing on revisions to the master plan to inform the public and provide opportunity for public comment. (Acts 75th Leg., R.S., Ch. 47, Sec. 5.)

Sec. 11001.007. MONTHLY CHARGES. (a) The board may impose a monthly charge of five dollars for each developed or undeveloped lot, tract, or reserve in the district.

(b) Money received from the monthly charge must be used for constructing, maintaining, or repairing public streets or roadways in the district.

(c) Of the money received under Subsection (a):

(1) not more than 10 percent may be used for administrative purposes; and

(2) not more than 15 percent may be used for road maintenance. (Acts 75th Leg., R.S., Ch. 47, Sec. 6.)

Sec. 11001.008. CITY OR COUNTY APPROVAL OF PLANS AND SPECIFICATIONS. (a) The district shall submit for the approval of the governing body of the City of Bastrop or Bastrop County, as appropriate, all road plans and specifications before the district begins construction.

(b) The plans and specifications are considered approved if the governing body to which they are presented does not by resolution disapprove of them before the 22nd day after the date on which they are presented.

(c) In reviewing plans or specifications for construction in a subdivision, the City of Bastrop or Bastrop County shall generally apply, as a minimum standard, the standard the city or county applied to review similar plans or specifications at the

time the subdivision was created. If the plans or specifications exceed that minimum standard, the standard for approval shall be based on good engineering practices related to subjects such as vehicle and pedestrian safety, soil and terrain variables, watershed impacts, projected traffic use, and future maintenance requirements. (Acts 75th Leg., R.S., Ch. 47, Sec. 8.)

Sec. 11001.009. INSPECTIONS, SAMPLING, AND TESTING. (a) The City of Bastrop or Bastrop County may:

(1) perform reasonable inspections, gather and test samples, and perform other testing; or

(2) require the district or the contractor for the work to perform reasonable inspections, gather and test samples, and perform other testing.

(b) The district may include the cost of inspecting, sampling, and testing in the bid specifications. If the district includes the costs in the bid specifications, the costs are allowable charges for spending road money. (Acts 75th Leg., R.S., Ch. 47, Sec. 9.)

Sec. 11001.010. CONVEYANCE OF IMPROVEMENTS. (a) The district shall convey the completed improvements to the City of Bastrop or Bastrop County as appropriate.

(b) If the improvements comply with the minimum standards the city or county, as applicable, prescribes for improvements in its jurisdiction, the city or county shall accept the improvements.

(c) If the jurisdictions of the city and the county overlap, the more stringent standards apply. (Acts 75th Leg., R.S., Ch. 47, Sec. 10.)

Sec. 11001.011. ADDITIONAL POWERS. The district may:

(1) select professional and consultant personnel for engineering, legal, and other necessary support services;

(2) select and approve work contractors and subcontractors;

(3) supervise road and drainage work in the district;

(4) contract to carry out the improvements provided by the master plan, including contracting with a professional or contractor;

(5) supervise the cost-effective use of district money allocated for permanent improvements; and

(6) approve expenditures for necessary maintenance. (Acts 75th Leg., R.S., Ch. 47, Sec. 11.)

Sec. 11001.012. REPORT TO CERTAIN LEGISLATORS. The district annually shall present a report concerning road district activities to each state representative and each state senator who represents the area in the district's jurisdiction. The report must include:

(1) information regarding the progress of work during the preceding year;

(2) the amount of money spent during the preceding year;

(3) any revisions to the master plan; and

(4) a complete financial statement that lists all funds of the district and fund balances, expenditures, and interest earnings. (Acts 75th Leg., R.S., Ch. 47, Sec. 12.)

Sec. 11001.013. TERMINATION OF ROAD DISTRICT AUTHORITY;

DISTRIBUTION OF DISTRICT MONEY. (a) The road district authority under this chapter terminates when:

(1) all road improvements under the master plan are completed; and

(2) the City of Bastrop or Bastrop County, as appropriate, has accepted all road improvements in the district.

(b) On termination of the district's road district authority, the district shall give any money related to the district's road district authority that remains in the district's possession or control to the City of Bastrop or Bastrop County, as appropriate, for road maintenance in the district. The district shall send the money to the City of Bastrop or Bastrop County in the proportion that the number of miles of road improvements by the district accepted by the city or county bears to the total number of miles of road improvements by the district accepted by both the city and the county. (Acts 75th Leg., R.S., Ch. 47, Sec. 13.)

SECTION 2. CONFORMING AMENDMENT. Section 1, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967, is amended to read as follows:

Sec. 1. The [~~Pursuant to authority granted by the provisions of Section 9 of Article IX of the Constitution of the State of Texas,~~] Angleton-Danbury Hospital District of Brazoria County, Texas, [~~is hereby authorized to be created in Brazoria County, Texas, and as created~~] shall have the following boundaries:

BEGINNING at the southeasterly corner of the I. F. W. Curd Survey, Abstract 170, on the westerly shore line of West Bay at mean low tide;

THENCE southwesterly along the most southerly boundary line of said Curd Survey to its intersection with the northerly shore line of Bastrop Bay;

THENCE in a westerly direction along the shore lines of Bastrop Bay, Cox's Lake and Bastrop Bayou and along the southerly boundary line of said I. F. W. Curd Survey, the G. B. Brownrigg Survey, Abstract 150, the J. J. Calvington Survey, Abstract 427, the Juan Armendaris Survey, Abstract 405, and the F. Spann Survey, Abstract 373, to a point where an extension of the northwesterly boundary line of the B. F. Holt Survey, Abstract 592, would intersect the north bank of said bayou;

THENCE across Bastrop Bayou to the most northwesterly corner of said B. F. Holt Survey;

THENCE in a southerly direction along the western boundary line of said Holt Survey, the F. Pawpa Survey, Abstract 443, and the E. J. DeBard Survey, Abstract 673, to Big Slough;

THENCE up Big Slough with its meanders to a point in the west boundary line of the Austin & Williams Survey, Abstract 145;

THENCE west to a point in the southeast right-of-way line of the H. & B. V. Railway right-of-way in the J. E. Groce 5-League Grant, Abstract 66;

THENCE in a northeasterly direction along the southeast line of said railway right-of-way to Bastrop Bayou and continuing on the same course across said bayou to its northeasterly shore line at mean low tide;

THENCE northwesterly across said right-of-way to its northwesterly line on the shore of said bayou;

THENCE southwesterly crossing said bayou and following the northwest right-of-way line of the said railway to the center of Oyster Creek;

THENCE up the center of Oyster Creek to a point which is due south of the southwest corner of the S. F. Austin Survey, Abstract 22;

THENCE in a northerly direction to the Southwestern corner of S. F. Austin Survey, Abstract 22, and continuing in a northerly direction with the west boundary line of said Austin Survey and the east boundary of the J. E. Groce 5-League Grant to its intersection with the center of Bastrop Bayou;

THENCE up the center of Bastrop Bayou with its meanders crossing State Hwy. No. 288 and the H. and B. V. Railroad to a point for corner being an extension of the division line of J. T. Suggs 398.14 acre tract and W. T. Galloway 280.66 acre tract;

THENCE West passing a concrete monument on the bank of Bastrop Bayou to a concrete monument on the Northwest corner of said 398.14 acre tract and the Southwest corner of said 280.66 acre tract and in the East line of C. M. and Elane S. Frost 100 acre tract;

THENCE North along West line of W. T. Galloway's 280.66 acre tract and the East line of C. M. and Elane S. Frost 100 acre tract, the Marmion Estate 100 acre tract and William Franklin and DeWitt C. Baker, Jr., 57.4 acre tract to the center of Bastrop Bayou;

THENCE up the center line of Bastrop Bayou to a point in the East line of J. T. Suggs 450 acre tract;

THENCE North along the East line of J. T. Suggs 450 acre tract and the West line of 128.55 acre tract to the Southeast corner of H.

E. Merchant 244 acre tract;

THENCE West along the South line of H. E. Merchant 244 acre tract and The Texas Company's 300 acre tract to the Southwest corner of said 300 acre Texas Company tract and in the East line of The Retrieve Prison Farm 2405.27 acre tract;

THENCE North along the East line of said Prison Farm 2405.27 acre tract and the West line of said 300 acre Texas Company tract to the N. W. corner of the 300 acre tract of the North line of the J. E. Groce 5-League Grant;

THENCE West with the North line of said J. E. Groce 5-League Grant to its Northwest corner and continuing West with the North line of the S. F. Austin 5-League Grant, Abstract No. 19 to its point of intersection with the center of Oyster Creek;

THENCE downstream with the center of Oyster Creek and its meanders to the point where the center of Oyster Creek crosses the common boundary line of the S. F. Austin and J. E. Groce Surveys for the fourth time, in the Retrieve State Prison Farm;

THENCE in a Northwesterly direction in a straight line to the Northeast corner of the Dow Chemical Company's 3,586.32 acre tract in said S. F. Austin 5-League Grant which is also an ell corner of said Retrieve State Prison Farm;

THENCE South with the common line between the Prison Farm and the Dow 3,586.32 acre tract to a point in such line which is due East from a point in the center of the Brazoria Reservoir Levee which said last named point is 200 feet North of the point of intersection of the center of said levee with the center line of Buffalo Camp Bayou;

THENCE from said point in the Dow & Prison Farm common boundary, due West to the point in the center of the Brazoria Reservoir Levee;

THENCE Southerly with the center line of said Levee to the Center of Buffalo Camp Bayou, approximately 200 feet;

THENCE up the center of Buffalo Camp Bayou to a point due east of the south line of the John P. Cole Survey, Abstract 55;

THENCE west to the southeast corner of said John P. Cole Survey;

THENCE west along the south line of said John P. Cole Survey to the center of Middle Bayou;

THENCE up the center of Middle Bayou with its meanders to a point where the center line of said Bayou intersects the south line of the Samuel Carter League, Abstract 53;

THENCE in an easterly direction along the south boundary line of said Carter League to its southeast corner;

THENCE in a northerly direction along its eastern boundary line to its northeast corner;

THENCE in a westerly direction along its northern boundary line to the southeast corner of the J. B. Bailey League, Abstract 38;

THENCE in a Northerly direction along the eastern boundary line of said J. B. Bailey League and continuing past its northeast corner on the same course to the middle line of the William Roberts League, Abstract 124;

THENCE west along the north line of the lower half of the William Roberts League and continuing on the same course to the

center of the Brazos River;

THENCE up the center of the Brazos River with its meanders to a point in the said river due west of the northwest corner of the Francis Bingham League; Abstract 43;

THENCE east to the northwest corner of said Bingham League and continuing along the northern boundary line of said league to its northeast corner;

THENCE in a southerly direction along the eastern boundary line of said Bingham League and the A. McFarland League, Abstract 86, to its southeast corner;

THENCE southerly on the same course across the David Tally League, Abstract 130, and the Chester S. Gorbett League, Abstract 64, to the northwest corner of the Lavaca Navigation Company Survey, Abstract 327;

THENCE in a southerly direction along the western boundary line of said Lavaca Navigation Company Survey, to its southwest corner;

THENCE in an easterly direction along the southern boundary line of said Lavaca Navigation Company Surveys, Abstracts 327 and 536, to the most southeasterly corner thereof, same being the northeast corner of H. T. & B. Survey, Abstract 535;

THENCE in a southerly direction along the western boundary line of H. T. & B. Survey, Abstract 236, to the southwest corner of H. T. & B. Survey, Abstract 236;

THENCE in an easterly direction along the southern boundary lines of H. T. & B. Surveys, Abstracts 236, 555, 253, 556 and 254, and continuing on the same course to the southerwestern boundary

line of the Francis Moore League, Abstract 100;

THENCE in a southeasterly direction along the southwestern boundary line of said Francis Moore League to its most southwestern corner in the northwesterly boundary line of the S. T. Angier League, Abstract 7;

THENCE in a southwesterly direction along the northwestern boundary line of said Angier League to its most northwesterly corner;

THENCE in a southeasterly direction along its southwesterly boundary line to the southwest corner thereof;

THENCE in an easterly direction along its southeastern boundary line to the northwestern corner of H. T. & B. Survey, Abstract 277;

THENCE in a southeasterly direction along the southwestern boundary line of said H. T. & B. Survey 277 to its most southwesterly corner and continuing in the same direction along the southwestern boundary line of H. T. & B. Survey, Abstract 519, to the most northwesterly corner of H. T. & B. Survey, Abstract 520;

THENCE in a northeasterly direction along the northwesterly boundary line of H. T. & B. Survey, Abstract 520, H. T. & B. Survey, Abstract 260, and continuing on the same course across the Day Land & Cattle Company Survey, Abstract 603, to a point for corner in its northeasterly boundary line;

THENCE in a southeasterly direction along its northeasterly boundary line to its most southeasterly corner and continuing on the same course along the boundary line of the Day Land & Cattle Company Survey, Abstract 601, to the north boundary line of the L.

F. Tomlinson Survey, Abstract 374;

THENCE in a southwesterly direction along said boundary line to the northwest corner of the Arrington 75 acre tract;

THENCE in a southeasterly direction along the southwestern boundary line of said Arrington tract to its most southwestern corner;

THENCE in a southwesterly direction along the north boundary line of Lot 2 in Block 4 in said Tomlinson Survey to the most northwesterly corner of said lot;

THENCE in a southeasterly direction along the southwestern boundary line of said Lot 2 to its most southwesterly corner;

THENCE in a southwesterly direction along the southern boundary line of Lot 3 in Block 4 of a subdivision in said Tomlinson Survey to the northeast corner of a 291 acre tract known as the Kempner and Davis Tract in Block 5;

THENCE in a southeasterly direction along the eastern boundary line of said Kempner and Davis tract to its most southeastern corner and the north line of the L. A. Morton League, Abstract 101;

THENCE in a southeasterly direction across said Morton League to the Northwest corner of Lot 1 of the Coast Development Company Subdivision in the H. Austin League, Abstract 11;

THENCE in a southeasterly direction along the western boundary line of Lots 1, 2, 3, 4, 27, 28, 29 and 30 of said Coast Development Company Subdivision to a point for corner;

THENCE in an easterly direction along the southeastern boundary line of Lots 30 and 31 to the northwest corner of the G. J.

Swickheimer 160 acre tract;

THENCE in a southeasterly direction along the southwestern boundary line of said G. J. Swickheimer tract to its most southwesterly corner;

THENCE along the southeastern boundary line of said tract to its most southeasterly corner;

THENCE in a northeasterly direction to the southwestern corner of Lot 9 of the J. H. Everett Subdivision in said Austin League;

THENCE in a northeasterly direction along the southeastern boundary line of said Everett Subdivision and the Coast Development Company Subdivision to the west bank of Chocolate Bayou;

THENCE in a generally southwesterly direction with the meanders of said west bank of Chocolate Bayou and with the westerly shore line of West Bay at mean low tide to the southeasterly corner of the I. F. W. Curd Survey, Abstract 170, the PLACE OF BEGINNING. [~~The Legislature hereby finds that the foregoing boundaries and field notes of said District form a closure, and, if any mistake is made in copying the field notes in the legislative process, such mistake shall not affect the organization, existence or validity of the District or its right to issue bonds or refunding bonds, and the right to assess, levy and collect taxes, or in any other manner affect the legality or operation of the District.~~]

SECTION 3. CONFORMING AMENDMENT. Section 1, Chapter 411, Acts of the 58th Legislature, Regular Session, 1963, is amended to read as follows:

Sec. 1. <u>The boundaries</u> [~~Pursuant to the provisions of~~

~~Section 9 of Article IX of the Constitution of the State of Texas, this Act shall be operative so as to authorize the creation, establishment, maintenance, and operation~~] of the Booker Hospital District[~~, the boundaries of which~~] are described as follows, to wit:

BEGINNING at the Northwest corner of Lipscomb County where county boundary lines between Ochiltree County and Lipscomb County intersect the state boundary line between Texas and Oklahoma, and running due south along said county line to the Southwest corner of Lipscomb County;

THENCE East along the county boundary line between Lipscomb County and Hemphill County to its intersection with the eastern boundary line of Section 66 of Block 43 of the Houston and Texas Central R. R. Survey;

THENCE Northerly along the eastern boundaries of Sections 66, 111, 154, 199, 242, 287, 330, 375, 418, 463, 506, 551, 594, 639, 682, 727, 770, 815, 858, 903, 946, 991, 1034, 1079, 1122, and 1167 of Block 43 of the Houston and Texas Central R. R. Survey to the point of intersection of the eastern boundary of said Section 1167 with the south boundary of Section 155 of Block 10 of the Southern Pacific R. R. Survey;

THENCE West along the South boundary of Section 155 of Block 10 of the Southern Pacific R. R. Survey to its point of intersection with the east boundary of Section 154 of said survey;

THENCE North along the east boundary of said Section 154 and continuing north along the east boundaries of Sections 111, 66 and 23 of Block 10 of the Houston Tap and Brazoria R. R. Survey to the

point of the intersection of that line with the Southern boundary of the W. P. Wiser Survey.

THENCE continuing north along the projection of the east boundary line of Section 23 of Block 10 of the Houston Tap and Brazoria R. R. Survey to the state boundary line.

THENCE West along the state boundary line between Texas and Oklahoma to the point of beginning.

SECTION 4. CONFORMING AMENDMENT. Section 3, Chapter 183, Acts of the 56th Legislature, Regular Session, 1959 (Article 8280-222, Vernon's Texas Civil Statutes), is amended to read as follows:

Sec. 3. TERRITORY COMPRISING THE DISTRICT. The Aquilla-Hackberry Creek Conservation District [~~hereby created and established~~], situated wholly within Hill and McLennan Counties, shall comprise all territory located within the boundaries described as follows, except lands situated within the limits of incorporated cities, or towns, of Abbott, Hillsboro, Itasca, and West, Texas:

BEGINNING at the point of intersection of the Hill-Johnson County line and the East line of 113.2 acre tract in the Mary Carothers Survey, A-114, Hill County, Texas, owned by John D. Harper et al.

THENCE S. 30 E. with said Harpers east line 2500 feet, to the South line of a County road;

THENCE N. 60 E. with said road line 3125 feet to point in East line of said Carothers Survey;

THENCE S. 30 E. with said survey line 4250 feet to its S.E.

corner;

THENCE S. 60 W. with South line of said survey 500 feet to N.E. corner of Lewis A. Reynold Survey, A-752;

THENCE S. 30 E. at 11,750 feet pass the S.E. corner of said Reynolds Survey, at 17,625 feet pass the S.W. corner of John Clary Survey, A-118, in all 22,700 feet to S.W. corner of Smith Newton Survey, A-690, which point is in the North line of a public road;

THENCE N. 60 E. with South line of said Newton Survey 10,750 feet to its S.E. corner of said corner being also in West line of McKinney & Williams Survey, A-665;

THENCE S. 30 E. with said west line 2750 feet to S.W. corner of said survey;

THENCE N. 60 E. 1150 feet to a point in said south survey line, said point also being the N.E. corner of Sterling R. Barnes Survey A-74;

THENCE S. 30 E. 2650 feet to a point in East line of said Barnes Survey, said point being the S.W. corner of a 63.65 acre tract in M. L. Barnes Survey, A-73, once owned by C. B. Hill;

THENCE N. 60 E. 2800 feet with the south lines of Hills 63.65 acre tract and 58.8 acre tract to S.E. corner of the latter in the East line of said M. L. Barnes Survey;

THENCE S. 30 E. 500 feet to the N.W. corner of Don Herlin's 100 acre tract in the Henry Sikes Survey, A-817;

THENCE N. 60 E. with said Herlins North line 3925 feet to his N.E. corner in the East line of said survey;

THENCE S. 30 E. with East line of said Survey 3300 feet to its S.E. corner, being also the N.W. corner of J. P. Rushing Survey,

A-785, continuing same course with west line of last named Survey 5280 feet or 8580 feet in all to its S.W. corner in North line of a Public road;

THENCE N. 60 E. with said North line of road 10,050 feet to N.E. corner of J. A. England's 109 acre tract in J. P. Rushing Survey, A-786, said corner being in North line of said survey;

THENCE S. 30 E. with England's east line 2950 feet to his S.E. corner in South line of said survey, being also the most easterly N.E. corner of B. B. B. & C. R. R. Co. Survey, A-105;

THENCE S. 30 E. with East line of said Survey 3050 feet to an outside ell corner of same;

THENCE S. 60 W. 850 feet to an inside ell corner of said survey;

THENCE S. 30 E. at 690 feet pass the most southerly S.E. corner of said survey, continuing same course in all 1775 feet to an inside ell corner of Geo. McDaniel Survey, A-633;

THENCE S. 60 W. 260 feet to the most westerly N.W. corner of said survey;

THENCE S. 30 E. 1650 feet to S.W. corner of survey;

THENCE N. 60 E. 600 feet to point in South line of said survey and also the south line of 110.5 acre tract owned by Mrs. Estelle Adair, said point being the N.W. corner of Wm. McDonald Survey, A-568;

THENCE S. 30 E. with West line of said survey and East line of public road; at 1100 feet pass the most westerly S.W. corner of said survey, at 1650 feet pass an inside ell corner of Sarah A. Cook Survey, A-1043, and in all 4100 feet to an outside ell corner of

said survey;

THENCE N. 60 E. 1600 feet to an inside ell corner of said survey, being also the N.W. corner of Chas. M. Smithdeal's 109 acre tract in said survey;

THENCE S. 30 E. with Smithdeal's west line 4100 feet to a point in the North line of W. O. Merriweather Survey, A-564;

THENCE N. 80 E. with said North line 1,000 feet to N.E. corner of survey;

THENCE S. 10 E. with east line of said survey 10,900 feet to its S.E. corner;

THENCE S. 80 W. 2,300 feet with south line of said survey and North line of Wm. Armstrong Survey, A-23, to N.W. corner of 105 acre tract in latter named survey owned by W. B. Overman, et al;

THENCE S. 30 E. with the west line of the said Overman tract and the Mrs. Dora Kyle Estate 90.45 acre tract 3,450 feet to the S.W. corner of the latter in the South line of said survey;

THENCE N. 60 E. with said South line 400 feet to a point thereon which is the N.W. corner of the James J. Lee Survey, A-543;

THENCE S. 30 E. with the Survey's west line and the East line of a public road at 4,700 feet pass the survey's S.W. corner at 5,650 feet pass the North line of Navarro County School Land Survey, A-675, and in all 5,900 feet to the North line of the Old Dallas Highway;

THENCE S. 60 W. with said North line of Highway 2100 feet to point in survey's west line;

THENCE S. 30 E. with said west line 3600 feet to a point thereon, which is also the N.E. corner of Polly Meeks Survey, A-639;

THENCE S. 60 W. with North line of said survey and North line of public road 5,280 feet to point in same;

THENCE with west line of public road S. 30 E. 3,670 feet; S. 15 W. 280 feet and S. 30 E. 4,500 feet to the most southerly North line of A. Morrow Survey, A-580;

THENCE S. 60 W. 700 feet with said line to the most westerly N.W. corner of said survey;

THENCE S. 30 E. 1580 feet with West line of said Morrow Survey and West line of W. W. Hobson Survey, A-429, to a point in the North line of State Highway No. 22;

THENCE S. 60 W. with said North line 3,250 feet to point in East line of John A. Harlan Survey, A-397;

THENCE S. 30 E. with said survey, East line and the East line of a public road 27,100 feet to the S.E. corner of George Wilkins Survey, A-965;

THENCE With South line of said survey S. 60 W. 5,575 feet to S.W. corner of survey;

THENCE with south line of Ephraim Goss Survey, A-346, S. 60 W. 1,200 feet; N. 30 W. 350 feet; and S. 60 W. at 2,800 feet, pass S.W. corner of said survey and in all 2,900 feet to an outside ell corner of Simon Jones Survey, A-482;

THENCE S. 30 E. 1,050 feet to an inside ell corner of said survey; S. 60 W. 950 feet to an outside ell corner of said survey; S. 30 E. 1,500 feet to an inside ell corner of said survey; S. 60 W. 225 feet to an outside ell corner of said survey; and S. 30 E. 1,100 feet to survey's S.W. corner, said point being in North line of Thomas Graham Survey, A-341;

THENCE S. 60 W. with said North line of survey and North line of Ennis Smith's tract in E. Cameron Survey, A-130, 2,550 feet to an inside ell corner of said Smith tract;

THENCE N. 30 W. with Smith's east line 850 feet to the S.E. corner of Abner Lee Survey, A-532;

THENCE S. 60 W. with said survey's South line 1,425 feet to a point thereon, said point also being in the East line of a public road;

THENCE S. 30 E. with said line of road 6,030 feet to a point in North line of John Mills Survey, A-620, and said point also being in the North line of a public road;

THENCE S. 60 W. with said line 5,325 feet to a point in East line of Robert F. Norvell Survey, A-687;

THENCE S. with said survey line 4,000 feet to S.E. corner of survey and N.E. corner of Robert F. Norvell Survey, A-688;

THENCE W. with said Common survey line 3,151 feet to a point in the West right-of-way line of M. K. & T. R. R. Co.;

THENCE with said right-of-way line as follows: S. 10 E. 1,570 feet; S. 7,500 feet; and S. 13 W. 10,738 feet to its intersection with the Hill-McLennan County line; Continuing the same course for 22,940 or 33,678 feet in all to a point on the South line of M. Jewett Survey, A-517;

THENCE S. 60 W. with the South lines of said survey, B. B. Ingraham Survey, A-1126, J. M. Marek 89.5 acre tract in J. Moreno Survey, A-26 and Andrew N. Halbert 80 acre tract in same survey 9,100 feet to S.W. corner of Charles J. Holy 167.2 acre tract in same survey;

THENCE N. 30 W. 100 feet to S.E. corner of Mary Catherine Demars' 80 acre tract in said survey;

THENCE S. 60 W. with her South line and the South lines of D. C. Mosely 80 acre tract, Albin Pavlas 84 acre tract, Joseph L. Melansky, 58.559 acre tract, W. C. Cox 10 acre tract (all in said Moreno Survey), and Wm. Carmichael Survey, A-273, 8,500 feet to a point in East line of T. H. Brennan Survey;

THENCE S. 30 E. with said E. line 2,600 feet to survey S.E. corner;

THENCE S. 60 W. 4,200 feet to point on South survey line;

THENCE S. 30 E. 1,620 feet to S.E. corner of W. M. Haney's 7.5 acre tract in N. H. Hobbs Survey, A-428;

THENCE S. 60 W. 518 feet to his S.W. corner, being in the East line of a public road;

THENCE with said East road line S. 1 W. 1,900 feet to a point in survey's South line;

THENCE N. 60 E. 775 feet to N.W. corner W. W. Kattner 118.6 acre tract in R. P. Shepherd Survey, A-1145;

THENCE S. 30 E. with Shepherd's West line, at 630 feet the N.E. corner Samuel Gholson Survey, A-18, continuing same course with East line of survey 7,800 feet to its S.E. corner;

THENCE S. 60 W. with South line of survey 3,220 feet to point in West line of public road;

THENCE with said line of said road as follows: S. 37 E. 2,825 feet; S. 18 E. 2,500 feet; S. 8 W. 1,525 feet; S. 18 E. 1,240 feet; S. 60 W. 645 feet; S. 7 W. 3,700 feet; S. 23 W. 780 feet; S. 2 E. 540 feet; and S. 8 W. 2,970 feet to a point in East line of Waco-Gholson

road;

THENCE S. 20 E. with said line 400 feet to point in South line of Joseph Rutherford Survey, A-34;

THENCE S. 60 W. 6,640 feet to a point on East bank of Brazos River;

THENCE in a general direction of N. 60 W. with the meanders of the East bank of the Brazos River 20,900 feet to a point in said bank being the N.W. corner of Martin G. McCartney's 93.53 acre tract in Samuel Gholson Survey, A-18;

THENCE N. 60 E. 1,620 feet to S.E. corner of B. L. Eastwood's 86 acre tract in said survey;

THENCE N. 30 W. with East lines of Eastwood tract and M. G. Lightfoot tract 3,540 feet to a point in North line of said Gholson survey, said point being in West line of a public road;

THENCE N. 30 W. with said West line of said road 4,435 feet to its intersection with South line of A. Estes Survey, A-335;

THENCE S. 60 W. with said South line 2,150 feet to S.W. corner of said survey;

THENCE N. 30 W. 4,040 feet to N.W. corner of survey, said corner being in the south line of Mary Ware Survey, A-1056;

THENCE S. 60 W. with said line 1,010 feet to S.W. corner of John H. McCartney 100 acre tract in said survey;

THENCE N. 30 W. 3,020 feet to point in South line of Frank T. Allen 90.4 acre tract;

THENCE S. 60 W. 240 feet to his S.W. corner;

THENCE N. 30 W. 4070 feet to point in North line of said Ware Survey;

THENCE S. 60 W. 800 feet to S.W. corner of C. Carley 110 acre tract in Lemuel Rice Survey, A-1054;

THENCE N. 30 W. 1625 feet to his N.W. corner;

THENCE S. 60 W. 360 feet to an inside ell corner of P. A. Fuston 128 acre tract in said survey;

THENCE N. 30 W. 3670 feet to N.W. corner of Julia M. Clark 50 acre tract of said survey;

THENCE N. 60 E. 1425 feet to S.W. corner of Esther Powell 51 acre tract in said survey;

THENCE N. 30 W. 1735 feet to point in Hill-McLennan County line, being the N.W. corner of said Powell tract;

THENCE N. 60 E. 1300 feet to point in said County Line, being in the East line of a public road and in South line of Wm. H. Smith Survey, A-864;

THENCE N. 30 W. with said road line 2750 feet to its intersection with North line of said survey and continuing with said line N. 33 W. 2550 feet to its intersection with North line of Geo. W. Hill Survey, A-370;

THENCE N. 60 E. with said line 1200 feet to S.W. corner of Philip Hardwick Survey, A-372;

THENCE N. 30 W. with West line of said survey 1725 feet to inside ell corner of survey and also S.W. corner of J. E. Johnson 41 acre tract in same;

THENCE N. 60 E. 2150 feet to Johnson's S.E. corner and inside ell corner in East Survey line;

THENCE N. 30 W. with said line 4225 feet to N.W. corner of survey, which point is the south line of John Saffel Survey, A-982;

THENCE N. 60 E. 3275 feet to a point in said Saffel survey line, and being the S.E. corner of C. R. Wright's 107.5 acre tract in said survey;

THENCE N. 30 W. with Wright's East line 2800 to his N.E. corner in North survey line;

THENCE N. 60 E. with said survey line 2200 feet to an inside ell corner of said survey;

THENCE N. 30 W. 4300 feet to N.W. corner of said survey;

THENCE N. 60 E. 6800 feet to point in Saffel N. line and being S.W. corner of E. E. Ussery's 100 acre tract in Wm. Brooks Survey, A-1;

THENCE N. 30 W. 7175 feet to N.W. corner of Ussery's 179.6 acre tract in North survey line;

THENCE N. 60 E. 10,350 feet to a point in East line of public road at its intersection with common line between said Brooks Survey and James S. Dallas Survey, A-210, and said point being the S.W. corner of Klement Svreck's 92.35 acre tract out of said Dallas Survey;

THENCE N. 38 W. with said East road line 13,700 feet to the south line of Sterling C. Robertson Survey, A-8;

THENCE N. 60 E. 1200 feet to S. E. corner of survey;

THENCE N. 30 W. 6900 feet to survey N.E. corner;

THENCE S. 60 W. 2570 feet to point on survey's North line and being S.E. corner of Francisco Baldez Survey, A-31;

THENCE N. 30 W. with Baldez's East line and the East line of public road 10,750 feet to corner in South line of public road;

THENCE N. 60 E. with south line of said road 3820 feet to

corner in East line of public road;

THENCE with said East line of road N. 28 W. 9750 feet; N. 49 W. 1400 feet; and N. 51°; W. 3475 feet to point in North line of State Highway No. 22, which point is also in South line of Mary Beacham Survey, A-26;

THENCE N. 60 E. 2385 feet to S.E. corner of said survey;

THENCE N. 30 W. 16,000 feet to N.W. corner R. Irvin Survey, A-461;

THENCE N. 60 E. 2750 feet to its N.E. corner;

THENCE N. 30 W. 8800 feet to N.E. corner Rutersville College Survey;

THENCE N. 60 E. 650 feet to an inside ell corner of P. J. George Survey, A-329;

THENCE N. 30 W. 10,250 feet to N.W. corner of W. M. McDonald Survey, A-566;

THENCE N. 60 E. 2350 feet to its N.E. corner;

THENCE N. 30 W. 3550 feet to N.W. corner James R. Rattekin Survey, A-782;

THENCE N. 60 E. 3650 feet to S.W. corner James McDonald Survey, A-650;

THENCE N. 30 W. 10,500 feet to N.W. corner of Samuel Ralph Survey, A-798;

THENCE N. 60 E. 5200 feet to its N.E. corner;

THENCE N. 30 W. 4850 feet to S.W. corner Richard Hope Survey, A-432;

THENCE N. 60 E. 5200 feet to its S.E. corner;

THENCE N. 30 W. 2,150 feet to S.W. corner W. C. Weatherred

Survey, A-932;

THENCE N. 60 E. 7,700 feet to its S.E. corner;

THENCE N. 30 W. 11675 feet to N.W. corner F. C. Burt Survey, A-28;

THENCE N. 60 E. 7800 feet to its N.E. corner;

THENCE N. 30 W. 7775 feet to N.W. corner Edwin S. Cabler Survey, A-113;

THENCE N. 60 E. 5225 feet to point in North line of survey, being S.W. corner of Myrtle Reddell 48 acre tract in Samuel Marshall Survey, A-571;

THENCE N. 30 W. 2190 feet to Reddell's N.W. corner;

THENCE N. 60 E. 3560 feet to point in West line of public road;

THENCE N. 30 W. with said line 3,000 feet to its intersection with the Hill-Johnson County line;

THENCE N. 75 E. 14,900 feet to the place of beginning, containing 273,864.4 acres of land, more or less. 190,524.4 acres, more or less, thereof, being in the Aquilla Creek Watershed and 83,340 acres, more or less, being in the Hackberry Creek Watershed.

[~~It being hereby found and determined that all of the land included within the boundaries of the District will be benefited and that the District is created to serve a public use and benefit, it shall not be necessary for the Board of Directors to call a confirmation election or to hold a hearing on the exclusion of lands or a hearing on the adoption of a plan of taxation, but the ad valorem plan of taxation shall be used by the District.~~]

SECTION 5. CONFORMING AMENDMENT. Section 1, Chapter 110,

Acts of the 41st Legislature, 1st Called Session, 1929, is amended to read as follows:

Sec. 1. [~~That Cameron County Water Improvement District Number Ten, in Cameron County, Texas, as hereinafter described by metes and bounds, is hereby created and established as a Conservation and Reclamation District under authority of Section 59 of Article 16, of the Constitution of the State of Texas, for the purpose of the reclamation and irrigation of its arid, semi-arid and other lands, needing irrigation, reclamation and drainage of its overflowed lands, and other lands needing drainage, and all other purposes as contemplated by said Section 59 of Article 16, of the Constitution of this State, and said District shall be a Governmental agency and a body politic with all powers as are granted to such Conservation and Reclamation Districts in the Constitution and in the General Laws of the State of Texas; and the organization and establishment of said District by the Commissioners' Court of Cameron County, Texas, and all orders of said Commissioners' Court of Cameron County, Texas, and of the Board of Directors of said Cameron County Water Improvement District Number Ten, heretofore made in respect to the creation of such District and the authorization and issuance of the bonds of said District and particularly an issue of Six Hundred Eighty Thousand Dollars of bonds voted at an election under date of October 1, 1928, be and the same are hereby in all things ratified, confirmed and validated.~~

[~~It is hereby declared and determined that all property within the boundaries of said District, as herein set forth, is~~

~~benefited by the creation of said District, and that no property not benefited is included within such boundaries.~~] The said Cameron County Water Improvement District Number Ten, in Cameron County, Texas, [~~here now created and established, after consideration of the benefits to the property therein located,~~] is described by metes and bounds, as follows, to-wit:

Six Thousand Nine Hundred Seventy-eight and 48/100 (6978.48) acres, more or less, situated wholly in Cameron County, Texas, and being a part of Shares Nos. 19, 27 and 28 of the Espiritu Santo Grant, in Cameron County, Texas, as said shares were allotted and set apart by the final decree partitioning said grant rendered by the District Court of Cameron County, Texas, May 6, 1889, in Cause No. 1346 entitled "M. Kenedy, R. King, et al. vs. Thomas Carson, Administrator, et al.," and more particularly described by metes and bonds, as follows:

"Beginning at a point on the west line of Share No. 27 said point being South 4°30' West 1228.2 feet from the center line of State Highway No. 100. Thence South 85°0' East 2915.2 feet to a point on the East line of said Share No. 27. Thence with the East line of share No. 27 North 3° 51' East 1258.2 feet to the North line of State Highway No. 100. Thence South 85° 0' East 2733.3 feet with the North line of State Highway No. 100 to a point in the East line of Share No. 28. Thence with the East line of Share No. 28 North 2° 24' East 33,705.8 feet. Thence North 86° 36' West 1893.4 feet to a point in the East line of Share No. 27. Thence with the East line of Share No. 27 North 3° 30' East 26,848.8 ft. more or less, to the Northeast corner of Section 2, Citrus Gardens Subdivision,

according to map recorded in Vol. 8, page 19, of the Map Records of Cameron County, Texas; thence north 85° 58' West, 1972 feet along and with the North line of said Subdivision to the Northwest corner thereof in the West line of said Share No. 27; thence South 4° 35' West 18,060.4 ft. more or less, to the northeast corner of Tract No. 43 of Share No. 19 of the Espiritu Santo Grant, as said Tract No. 43 was set apart and allotted to Mrs. Agnes A. Browne by the final decree partitioning said Share 19, rendered by the District Court of Jefferson County, Texas, in Cause No. 7588, entitled "Charles B. Combe, et al., vs. John H. Broocks, et al"; thence with the North line of Tract No. 43 North 85° 30' West 1863.6 feet to the Northwest corner of said Tract No. 43; thence with the West line of Tract No. 43 South 4° 30' West 43,772.3 feet to the Southwest corner of Tract No. 43; thence with the South line of Tract No. 43 South 88° 30' East 1810.8 feet to a point in the West line of Share No. 27; thence North 4° 30' East 1279.5 feet to the place of beginning, containing 6978.48 acres, more or less."

The above described territory being the same territory that was included within the boundaries of this District at the time of its organization and described in order adopted on the 18th day of June, 1928, by the Commissioners' Court of Cameron County, Texas, with modifications thereto made by orders of the Board of Directors of said District in conformity with law, prior to the voting of any bonds by said District.

SECTION 6. REPEALER. The following statutes are repealed:

(1) Sections 2-20, Chapter 120, Acts of the 60th Legislature, Regular Session, 1967;

(2) Sections 2 and 3, Chapter 271, Acts of the 62nd Legislature, Regular Session, 1971;

(3) Sections 2-18, Chapter 411, Acts of the 58th Legislature, Regular Session, 1963;

(4) Sections 4-7, Chapter 541, Acts of the 63rd Legislature, Regular Session, 1973;

(5) Sections 2(b)-(d), Chapter 95, Acts of the 76th Legislature, Regular Session, 1999;

(6) the following provisions of the Local Government Code:

(A) Chapter 384, as added by Chapter 1578, Acts of the 76th Legislature, Regular Session, 1999;

(B) Subchapters A-J, Chapter 376;

(C) Subchapter K, Chapter 376, as added by Chapter 418, Acts of the 77th Legislature, Regular Session, 2001;

(D) Subchapter K, Chapter 376, as added by Chapter 1356, Acts of the 77th Legislature, Regular Session, 2001;

(E) Subchapter K, Chapter 376, as added by Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001;

(F) Subchapter K, Chapter 376, as added by Chapter 1376, Acts of the 77th Legislature, Regular Session, 2001;

(G) Subchapter K, Chapter 376, as added by Chapter 1476, Acts of the 77th Legislature, Regular Session, 2001;

(H) Subchapter K, Chapter 376, as added by Chapter 1384, Acts of the 77th Legislature, Regular Session, 2001;

(I) Subchapter K, Chapter 376, as added by Chapter 1433, Acts of the 77th Legislature, Regular Session, 2001;

and

(J) Subchapters A and B, Chapter 396;

(7) Section 2, Chapter 360, Acts of the 76th Legislature, Regular Session, 1999;

(8) Chapter 213, Acts of the 51st Legislature, Regular Session, 1949;

(9) Section 2, Chapter 525, Acts of the 71st Legislature, Regular Session, 1989;

(10) Chapter 9, page 42, Special laws, Acts of the 41st Legislature, 4th Called Session, 1930;

(11) Sections 2-14, Chapter 43, Acts of the 57th Legislature, 3rd Called Session, 1962;

(12) Sections 2-10, Chapter 245, Acts of the 58th Legislature, Regular Session, 1963;

(13) Chapter 827, Acts of the 70th Legislature, Regular Session, 1987;

(14) Chapter 357, Acts of the 72nd Legislature, Regular Session, 1991;

(15) Sections 1-3 and 5-9, Chapter 661, Acts of the 62nd Legislature, Regular Session, 1971;

(16) Chapter 142, Acts of the 55th Legislature, Regular Session, 1957;

(17) Sections 2 and 3, Chapter 157, Acts of the 57th Legislature, Regular Session, 1961;

(18) Chapter 97, Acts of the 44th Legislature, Regular Session, 1935;

(19) Chapter 151, Water Code;

(20) Sections 1, 2, and 4-12, Chapter 183, Acts of the 56th Legislature, Regular Session, 1959;

(21) Sections 2-13, Chapter 110, Acts of the 41st Legislature, 1st Called Session, 1929;

(22) Subchapter B, Chapter 421, Local Government Code; and

(23) Chapter 47, Acts of the 75th Legislature, Regular Session, 1997.

SECTION 7. LEGISLATIVE INTENT OF NO SUBSTANTIVE CHANGE. This Act is enacted under Section 43, Article III, Texas Constitution. This Act is intended as a recodification only, and no substantive change in the law is intended by this Act. This Act does not increase or decrease the territory of any special district of the state as those boundaries exist on the effective date of this Act.

SECTION 8. PRESERVATION OF VALIDATION MADE BY PREVIOUS LAW. (a) The repeal of a law, including a validating law, by this Act does not remove, void, or otherwise affect in any manner a validation under the repealed law. The validation is preserved and continues to have the same effect that it would have if the law were not repealed.

(b) Subsection (a) of this section does not diminish the saving provisions prescribed by Section 311.031, Government Code.

SECTION 9. EFFECTIVE DATE. This Act takes effect April 1, 2005.