

By: Nelson, Estes

S.B. No. 420

A BILL TO BE ENTITLED

AN ACT

relating to county development districts; providing penalties.

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

SECTION 1. (a) Section 383.022, Local Government Code, is amended to read as follows:

Sec. 383.022. PETITION OF LANDOWNERS. (a) To create a district, a petition requesting creation must be filed with the commissioners court of the county in which all of the land in the proposed district is located.

(b) The petition must be accompanied by:

(1) a sworn statement indicating consent to creation signed by the holders of fee simple title of all of the land in the proposed district; and

(2) proof of written notice to a municipality of the district's proposed creation and boundaries, if the proposed district contains land in the extraterritorial jurisdiction of that municipality.

(b) The changes made to Section 383.022, Local Government Code, by this section apply only to a county development district created on or after the effective date of this section. A district that is created before the effective date of this section is governed by the law applicable to the district immediately before the effective date of this section, and that law is continued in effect for that purpose.

1 SECTION 2. (a) Subchapter B, Chapter 383, Local Government  
2 Code, is amended by adding Section 383.0235 to read as follows:

3 Sec. 383.0235. CONSENT OF MUNICIPALITY. (a) Land in the  
4 corporate limits of a municipality may be included in a district  
5 only if the municipality, by resolution or ordinance, grants its  
6 written consent to the inclusion of the land in the district.

7 (b) A municipality may consent in writing to the inclusion  
8 in the district of land in the corporate limits of a municipality  
9 only if the municipality receives a petition requesting the  
10 municipality's consent to the inclusion of land signed by:

11 (1) the owners of the majority of the assessed value of  
12 real property in the proposed boundaries in the district according  
13 to the most recent certified county tax appraisal roll; or

14 (2) at least 50 landowners in the proposed boundaries  
15 of the district, if more than 50 persons own land in the proposed  
16 boundaries according to the most recent certified county tax  
17 appraisal roll.

18 (c) The petition must:

19 (1) describe the boundaries of the land to be included  
20 in the district by:

21 (A) metes and bounds; or

22 (B) lot and block number, if there is a recorded  
23 map or plat and survey of the area; and

24 (2) state the general nature of the work proposed to be  
25 done by the district, the necessity for the work, and the cost of  
26 the project as then estimated by those filing the petition.

27 (d) The municipality may not:

1           (1) condition its consent on a limitation of the  
2 amounts of the district's bonds; or

3           (2) require annexation as a condition to its consent.

4           (e) In its written consent to the inclusion of land in a  
5 district, a municipality may:

6           (1) require the district to construct all facilities  
7 to serve the land in accordance with plans and specifications that  
8 the municipality has approved;

9           (2) provide that the municipality has the right to  
10 inspect all facilities being constructed by the district;

11           (3) restrict the terms of the district's bonds and  
12 notes issued to provide service to the land in the municipality's  
13 corporate limits and restrict the conditions on the sale of the  
14 district's bonds and notes if the restrictions do not generally  
15 render the district's bonds and notes unmarketable; or

16           (4) require the district to enter into an allocation  
17 agreement with the municipality before the first issue of bonds,  
18 notes, warrants, or other obligations of the district, that  
19 provides:

20           (A) a method by which the district continues to  
21 exist following the annexation of all of the territory in the  
22 district by the municipality, if the district is initially located  
23 outside the corporate limits of the municipality;

24           (B) an allocation of governmental services to be  
25 provided by the municipality or the district following the date of  
26 the inclusion of all of the district's territory in the  
27 municipality's corporate boundaries; and

1           (C) any other term considered appropriate by the  
2 municipality's governing body.

3           (f) In addition to rights and remedies provided by other  
4 law, the municipality is entitled to injunctive relief or a writ of  
5 mandamus requiring the district and its officials to observe and  
6 comply with the terms prescribed in the municipality's written  
7 consent if a district violates the terms of a municipality's  
8 written consent.

9           (b) Section 383.0235, Local Government Code, as added by  
10 this section, applies only to land added to a county development  
11 district on or after the effective date of this section. Land added  
12 to a district before the effective date of this section is governed  
13 by the law applicable to the district immediately before the  
14 effective date of this section, and that law is continued in effect  
15 for that purpose.

16           SECTION 3. (a) Section 383.034, Local Government Code, is  
17 amended by adding Subsection (e) to read as follows:

18           (e) The temporary board of directors shall file an order  
19 canvassing the results of an election with the district records and  
20 the county clerk. The order must describe the district's  
21 boundaries. The county clerk shall record the order.

22           (b) The changes made to Section 383.034, Local Government  
23 Code, by this section apply only to an election that occurs on or  
24 after the effective date of this section. An election that occurs  
25 before the effective date of this section is governed by the law  
26 applicable to the election immediately before the effective date of  
27 this section, and that law is continued in effect for that purpose.

1 SECTION 4. (a) Section 383.043, Local Government Code, is  
2 amended to read as follows:

3 Sec. 383.043. PERSONS DISQUALIFIED TO SERVE. Section  
4 49.052 [~~50.026~~], Water Code, applies to a director of a district.

5 (b) The changes made to Section 383.043, Local Government  
6 Code, by this section apply only to a director of a county  
7 development district appointed or elected on or after the effective  
8 date of this section. A director appointed or elected before the  
9 effective date of this section is governed by the law applicable to  
10 the director immediately before the effective date of this section,  
11 and that law is continued in effect for that purpose.

12 SECTION 5. Section 383.053, Local Government Code, is  
13 amended by amending Subsection (a) and adding Subsections (d) and  
14 (e) to read as follows:

15 (a) The board may establish regular meetings to conduct  
16 district business and may hold special meetings at other times as  
17 the business of the district requires. The board may designate one  
18 or more places inside or outside the district for conducting the  
19 meetings.

20 (d) On written request of at least 25 qualified voters who  
21 reside in the district, the board may meet only in the district for  
22 the year after the date on which the board received the request.

23 (e) The board shall give notice of any meeting place outside  
24 the district by filing a resolution establishing the location of  
25 the meeting place with the commissioners court and by publishing  
26 notice of the location in a newspaper of general circulation in the  
27 district. If the location of a meeting place outside the district

1 changes, the board shall give notice in the same manner.

2 SECTION 6. Subchapter D, Chapter 383, Local Government  
3 Code, is amended by adding Sections 383.067 and 383.068 to read as  
4 follows:

5 Sec. 383.067. INFRASTRUCTURE FOR RESIDENTIAL SUBDIVISIONS;  
6 TOURISM. The district may construct, finance, or otherwise provide  
7 infrastructure for a residential subdivision only if the  
8 infrastructure serves the purpose of attracting visitors and  
9 tourists to the county.

10 Sec. 383.068. AD VALOREM TAXES PROHIBITED. The district  
11 may not impose an ad valorem tax.

12 SECTION 7. (a) Subchapter D, Chapter 383, Local Government  
13 Code, is amended by adding Section 383.069 to read as follows:

14 Sec. 383.069. POSTING SIGNS IN THE DISTRICT. (a) Not  
15 later than the 30th day after the date the district is created, the  
16 district shall post signs indicating the district's existence at  
17 two principal entrances to the district.

18 (b) The board shall determine the information on and the  
19 size and exact location of the signs.

20 (b) Section 383.069, Local Government Code, as added by this  
21 section, takes effect September 1, 2003.

22 (c) A county development district created under Chapter  
23 383, Local Government Code, before the effective date of this  
24 section, shall comply with Section 383.069, Local Government Code,  
25 as added by this section, not later than January 1, 2004.

26 SECTION 8. (a) Section 383.084, Local Government Code, is  
27 amended by amending Subsection (a) and adding Subsections (c) and

1 (d) to read as follows:

2 (a) Before the board issues bonds, the board, [~~on its own~~  
3 ~~motion or~~] on request of a landowner in the district, may petition  
4 the commissioners court for the addition of land to or exclusion of  
5 land from the district.

6 (c) The commissioners court shall file the order adding or  
7 excluding land with the county clerk. The county clerk shall record  
8 the order.

9 (d) The commissioners court may not add or exclude land  
10 under this section unless:

11 (1) each person who owns land that is to be added or  
12 excluded consents to the addition or exclusion; and

13 (2) each municipality has been notified of the  
14 proposed addition or exclusion of land, if land in the  
15 extraterritorial jurisdiction of that municipality is to be added  
16 or excluded.

17 (b) Section 383.084, Local Government Code, as amended by  
18 this section, applies only to land added to or excluded from a  
19 county development district on or after the effective date of this  
20 section. Land added to or excluded from a district before the  
21 effective date of this section is governed by the law applicable to  
22 the district immediately before the effective date of this section,  
23 and that law is continued in effect for that purpose.

24 SECTION 9. (a) Chapter 383, Local Government Code, is  
25 amended by adding Subchapter I to read as follows:

26 SUBCHAPTER I. AUDIT OF DISTRICT ACCOUNTS AND RECORDS

27 Sec. 383.141. DUTY TO AUDIT. (a) The board shall have the

1 district's fiscal accounts and records audited annually at the  
2 expense of the district.

3 (b) The audit must be performed by a certified public  
4 accountant or public accountant certified or licensed under Chapter  
5 901, Occupations Code.

6 (c) The audit must be completed not later than the 120th day  
7 after the last day of the district's fiscal year.

8 Sec. 383.142. FORM OF AUDIT. The district audit shall be  
9 performed according to the generally accepted auditing standards  
10 adopted by the American Institute of Certified Public Accountants  
11 as of January 1, 2003, or later standards adopted by the board under  
12 this section. Financial statements shall be prepared in accordance  
13 with the generally accepted accounting principles adopted by the  
14 American Institute of Certified Public Accountants as of January 1,  
15 2003, or later principles adopted by the board under this section.  
16 The board shall consider later changes to the standards or  
17 principles adopted by the institute and may adopt a standard or  
18 principle if the board considers it reasonable.

19 Sec. 383.143. FINANCIAL REPORTS. (a) Any depository,  
20 treasurer, or bookkeeper who receives or has control over any  
21 district money shall keep a full and itemized account of that  
22 money.

23 (b) The depository, treasurer, and bookkeeper shall make  
24 the itemized accounts available for audit.

25 Sec. 383.144. FILING OF AUDITS, AFFIDAVITS, AND FINANCIAL  
26 REPORTS. (a) After the board approves the audit and not later than  
27 the 135th day after the last day of the district's fiscal year, the

1 board shall file a copy of the audit report to the commissioners  
2 court and the comptroller.

3 (b) If the board refuses to approve the audit report, the  
4 board shall file a copy of the report to the commissioners court and  
5 the comptroller not later than the 135th day after the last day of  
6 the district's fiscal year. The report must be accompanied by a  
7 statement from the board explaining the reasons for its failure to  
8 approve the report.

9 (c) A district shall file a copy of each audit in the  
10 district office.

11 (d) When the audit report is filed with the comptroller  
12 under Subsection (a), the board shall file with the comptroller an  
13 annual filing affidavit in a format prescribed by the comptroller.  
14 The affidavit must be executed by an authorized representative of  
15 the board and must state that all copies of the audit report have  
16 been filed as required by this section.

17 Sec. 383.145. NONCOMPLIANCE; DUTY OF COMPTROLLER. The  
18 comptroller shall file with the attorney general the names of any  
19 districts that do not comply with this subchapter.

20 (b) A county development district shall have an annual audit  
21 performed as required by Subchapter I, Chapter 383, Local  
22 Government Code, as added by this section, only for each fiscal year  
23 that begins on or after the effective date of this section.

24 SECTION 10. (a) Chapter 383, Local Government Code, is  
25 amended by adding Subchapter J to read as follows:

1 SUBCHAPTER J. NOTICE OF DISTRICT TO PURCHASERS OF REAL PROPERTY;

2 FILING OF INFORMATION

3 Sec. 383.161. NOTICE TO PURCHASERS. (a) If a person  
4 proposes to sell real property located in a district that is  
5 acquiring or planning to acquire a project that has been financed or  
6 is proposed to be financed with district bonds payable wholly or  
7 partly from district taxes, the person must give to the purchaser  
8 written notice as prescribed by this section. An executory  
9 contract that has a performance period of more than six months is  
10 considered a sale of real property under this section.

11 (b) This section does not apply to a transfer of title:

12 (1) under any type of lien foreclosure;

13 (2) by deed in cancellation of indebtedness secured by  
14 a lien on the property conveyed;

15 (3) by reason of a will or probate proceedings; or

16 (4) to a governmental entity.

17 (c) The notice must be executed by the seller and read:

18 "The real property, described below, that you are about to  
19 purchase is located in the \_\_\_\_\_ District. The district has taxing  
20 authority separate from any other taxing authority and may, subject  
21 to voter approval, issue an unlimited amount of bonds and impose a  
22 sales and use tax in payment of such bonds. As of this date, the  
23 rate of the sales and use tax imposed by the district is \_\_\_\_\_  
24 (one-fourth of one percent, three-eighths of one percent, or  
25 one-half of one percent, as applicable). If the district has not  
26 yet imposed taxes, the most recent projected rate of tax, as of this  
27 date, is \_\_\_\_\_ (one-fourth of one percent, three-eighths of one

1 percent, or one-half of one percent, as applicable). The total  
2 amount of bonds, excluding refunding bonds and any bonds or any  
3 portion of bonds issued that are payable solely from revenues  
4 received or expected to be received under a contract with a  
5 governmental entity, approved by the voters and that have been or  
6 may be issued at this date is \$\_\_\_\_\_, and the aggregate initial  
7 principal amounts of all bonds issued for one or more of the  
8 projects of the district and payable wholly or partly from sales and  
9 use taxes is \$\_\_\_\_\_.

10 "The purpose of this district is to provide incentives for  
11 the location and development of projects to attract visitors and  
12 tourists to the county through the issuance of bonds payable wholly  
13 or partly from sales and use taxes. The cost of the facilities  
14 built or maintained for this purpose is not included in the purchase  
15 price of the property you are purchasing, and these facilities are  
16 owned or to be owned by the district. The legal description of the  
17 property you are purchasing is:

18 \_\_\_\_\_(date)

19 \_\_\_\_\_Signature of Seller

20 "PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM  
21 IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT  
22 ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER  
23 THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE  
24 TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO  
25 CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR  
26 PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

27 "The undersigned purchaser acknowledges receipt of this

1 notice at or before the execution of a contract for the purchase of  
2 the real property described in the notice or at closing of purchase  
3 of the real property.

4 \_\_\_\_\_ (date)

5 \_\_\_\_\_ Signature of Purchaser

6 "(Note: Correct district name, tax rate, bond amounts, and  
7 legal description are to be placed in the appropriate space.)  
8 Except for notices included as an addendum or paragraph of a  
9 purchase contract, the notice shall be executed by the seller and  
10 purchaser, as indicated. If the district has not yet imposed taxes,  
11 a statement of the district's most recent projected rate of tax is  
12 to be placed in the appropriate space. For the purposes of the  
13 notice form required to be given to the prospective purchaser  
14 before execution of the contract, a seller and any agent,  
15 representative, or person acting on the seller's behalf may modify  
16 the notice by substitution of the words 'January 1, \_\_\_\_' for the  
17 words 'this date' and place the correct calendar year in the  
18 appropriate space."

19 (d) If the district is located wholly or partly in the  
20 extraterritorial jurisdiction of one or more home-rule  
21 municipalities and not in the corporate boundaries of a  
22 municipality, the notice prescribed by Subsection (c) must include:

23 "The district is located wholly or partly in the  
24 extraterritorial jurisdiction of \_\_\_\_\_ . By law, a district  
25 located in the extraterritorial jurisdiction of a home-rule  
26 municipality may be annexed without the consent of the district or  
27 the voters of the district. When a district is annexed, the

1 district may be dissolved."

2 (e) If a district is located wholly or partly in the  
3 corporate boundaries of a municipality, the notice prescribed by  
4 Subsection (c) must include:

5 "The district is located wholly or partly in the corporate  
6 boundaries of \_\_\_\_\_. The taxpayers of the district are  
7 subject to the taxes imposed by the municipality and by the district  
8 until the district is dissolved. By law, if all of the territory of  
9 a district is located in or annexed by a municipality, the district  
10 may be dissolved by agreement between the board of directors of the  
11 district and the governing body of the municipality without the  
12 consent of the voters of the district."

13 (f) If the law relating to annexation or district  
14 dissolution is amended and causes inaccuracies in the content of  
15 the notice prescribed by this section, the district shall revise  
16 the content of the notices to accurately reflect the changes in the  
17 law.

18 Sec. 383.162. TIMING OF NOTICE. (a) The notice required  
19 by Section 383.161 must be given to the prospective purchaser  
20 before the execution of the contract. The notice may be given  
21 separately or as an addendum or paragraph to the contract.

22 (b) If the seller fails to provide the notice required by  
23 Section 383.161, the purchaser may terminate the contract.

24 (c) If the seller provides the notice at or before the  
25 closing of the contract and the purchaser elects to close even  
26 though the notice was not timely provided before the execution of  
27 the contract, it is conclusively presumed that the purchaser has

1 waived all rights to terminate the contract and recover damages or  
2 pursue other remedies or rights under this subchapter.

3 Sec. 383.163. SIGNATURE OF PURCHASER. The purchaser shall  
4 sign the notice required by Section 383.161 or the contract that  
5 includes the notice to evidence the purchaser's receipt of the  
6 notice.

7 Sec. 383.164. RECORDING OF NOTICE. (a) At the closing of  
8 the contract, the seller and purchaser shall execute and  
9 acknowledge a separate copy of the notice required by Section  
10 383.161 containing information that is accurate at the time of the  
11 closing and shall record the copy of the notice in the county deed  
12 records.

13 (b) In completing the notice to be executed by the seller  
14 and purchaser at the closing of the contract, a seller, title  
15 company, real estate broker, or examining attorney, and any agent,  
16 representative, or person acting on behalf of the seller, company,  
17 broker, or attorney, may rely on the accuracy of the information  
18 form and map or plat that is last filed by the district under  
19 Section 383.170.

20 (c) Any information taken from the information form and map  
21 or plat filed by the district under Section 383.170 is conclusively  
22 presumed to be correct as a matter of law for purposes of this  
23 section.

24 Sec. 383.165. MODIFICATION OF NOTICE. (a) A seller and  
25 any agent, representative, or person acting on the seller's behalf  
26 may modify the notice prescribed by Section 383.161 by substituting  
27 the words "January 1, \_\_\_" for the words "this date" and placing the

1 correct calendar year in the appropriate space.

2 (b) Except as otherwise provided in Section 383.164, any  
3 information taken from the information form and map or plat filed by  
4 the district in effect as of January 1 of each year is conclusively  
5 presumed as a matter of law to be correct for the period beginning  
6 January 1 and ending December 31 of the same calendar year, for  
7 purposes of the notice to be given to the prospective purchaser  
8 before the execution of the contract.

9 (c) A seller and any person completing the prescribed notice  
10 on the seller's behalf may provide on the prescribed notice form any  
11 available information that is more recent than the information  
12 contained in the information form and map or plat filed of record by  
13 the district under Section 383.170 in effect as of January 1 of each  
14 year.

15 (d) Subsection (c) does not create an affirmative duty on  
16 the part of a seller or any person completing the prescribed notice  
17 on the seller's behalf to provide on the prescribed notice form more  
18 recent information than the information taken from the information  
19 form and map or plat filed of record by the district in effect as of  
20 January 1 of each year.

21 Sec. 383.166. RELIANCE ON INFORMATION FORM AND MAP OR PLAT  
22 FILED BY DISTRICT. (a) In completing the notice required to be  
23 given to a prospective purchaser before the execution of the  
24 contract, a seller, title insurance company, examining attorney,  
25 vendor of property and tax information, real estate broker, or  
26 lienholder, and any agent, representative, or person acting on  
27 behalf of the seller, company, attorney, vendor, broker, or

1 lienholder, may rely on the information contained in the  
2 information form and map or plat filed of record by the district in  
3 effect as of January 1 of each year. Any seller, purchaser, title  
4 insurance company, real estate broker, examining attorney, or  
5 lienholder may rely on the information form and map or plat filed by  
6 the district.

7 (b) If the notice is given at closing as provided by this  
8 subchapter, a purchaser, or the purchaser's heirs, successors, or  
9 assigns, may not maintain an action, including an action for  
10 damages, against a seller, title insurance company, real estate  
11 broker, or lienholder, or any agent, representative, or person  
12 acting on behalf of the seller, company, broker, or lienholder,  
13 because of the seller's use of the information filed of record by  
14 the district or the seller's reliance on the filed plat and filed  
15 legal description of the district to determine whether the property  
16 to be purchased is in the district.

17 (c) An action may not be maintained against a title company  
18 for the failure to disclose that the described real property is  
19 included in a district if the district did not file for record the  
20 information form and map or plat with the county clerk.

21 Sec. 383.167. WAIVER OF DAMAGES. A purchaser who purchases  
22 real property in a district and who later sells the property is  
23 conclusively considered on the closing of the sale to have waived  
24 any prior right to damages under this subchapter.

25 Sec. 383.168. SUIT FOR DAMAGES. (a) Except as otherwise  
26 provided in Section 383.169, if a sale of real property in a  
27 district fails to comply with this subchapter, the purchaser may

1 file a suit for:

2 (1) the amount of all costs related to the purchase of  
3 the property plus interest and reasonable attorney's fees; or

4 (2) an amount not to exceed \$5,000 plus reasonable  
5 attorney's fees.

6 (b) A suit for damages under Subsection (a)(1) may be filed  
7 jointly or severally against the individual or entity that sold the  
8 property to the purchaser. Following the recovery of damages under  
9 Subsection (a)(1), the amount of the damages shall be paid first to  
10 satisfy all unpaid obligations on each outstanding lien on the  
11 property and the remainder of the damage amount shall be paid to the  
12 purchaser. On payment of all damages recovered under Subsection  
13 (a)(1) to each lienholder and the purchaser, the purchaser shall  
14 reconvey the property to the seller.

15 (c) A purchaser may not recover damages under both  
16 Subsections (a)(1) and (2). An entry of a final decision awarding  
17 damages to the purchaser under either Subsection (a)(1) or (2)  
18 precludes the purchaser from recovering damages under the other  
19 subsection.

20 (d) The relief provided under Subsection (a) provides the  
21 exclusive remedies for a purchaser aggrieved by the seller's  
22 failure to comply with this subchapter.

23 (e) An action for damages under this section does not change  
24 the validity of any existing vendor's lien, mechanic's lien, or deed  
25 of trust lien on the property.

26 (f) A suit for damages under this section must be filed on or  
27 before the fourth anniversary of the date on which the property is

1 sold to the purchaser. If a purchaser does not bring suit on or  
2 before that anniversary, the purchaser may not recover damages  
3 under this section.

4 (g) A purchaser may not recover damages under this section  
5 if the person:

6 (1) purchases an equity interest in real property and,  
7 in conjunction with the purchase, assumes any liens, including a  
8 purchase money lien; and

9 (2) does not require proof of title by abstract, title  
10 policy, or any other proof of title.

11 Sec. 383.169. EXEMPTION FROM DAMAGES. A seller, title  
12 company, real estate broker, or examining attorney, and an agent,  
13 representative, or person acting on behalf of the seller, company,  
14 broker, or attorney, is not liable for damages under Section  
15 383.168 or liable for any other damages to any person for:

16 (1) failing to provide the notice required by Section  
17 383.161 to a purchaser before the execution of the contract, or at  
18 or before the closing of the contract, if the district did not file  
19 the information form and map or plat as required under Section  
20 383.170; or

21 (2) unintentionally providing a notice required by  
22 Section 383.161 that is incorrect under the circumstances before  
23 the execution of the contract or at or before the closing of the  
24 contract.

25 Sec. 383.170. FILING INFORMATION; PENALTIES. (a) The  
26 board shall file with the county clerk an affirmed and acknowledged  
27 information form that includes the information required in

1 Subsection (b) and a complete map or plat that describes the  
2 district boundaries.

3 (b) The information form filed by a district under this  
4 section shall include:

5 (1) the district name;

6 (2) the complete legal description of the district  
7 boundaries;

8 (3) the most recent rate of sales and use taxes imposed  
9 by the district;

10 (4) the total amount of bonds that have been approved  
11 by the voters and that may be issued by the district, excluding  
12 refunding bonds and any bonds or portion of bonds payable solely  
13 from revenues received or expected to be received under a contract  
14 with a governmental entity;

15 (5) the aggregate initial principal amount of all  
16 bonds of the district payable wholly or partly from taxes,  
17 excluding refunding bonds and any bonds or portion of bonds payable  
18 solely from revenues received or expected to be received under a  
19 contract with a governmental entity, that have been previously  
20 issued;

21 (6) the date on which the election to confirm the  
22 creation of the district was held;

23 (7) a statement of the functions performed or to be  
24 performed by the district; and

25 (8) the notice to purchasers form required by Section  
26 383.161 to be furnished by a seller to a purchaser of real property  
27 in the district, completed by the district with all the information

1 required to be furnished by the district.

2 (c) If a district has not imposed taxes when the district  
3 files the information form under this section, the district shall  
4 substitute for Subsections (b)(3) and (5) a statement that the  
5 district has not imposed taxes at the time of filing that includes  
6 the district's most recent projected rate of debt service tax.

7 (d) The information form and map or plat required by this  
8 section must be signed by a majority of the directors and affirmed  
9 and acknowledged by each director who signed the form and map or  
10 plat before it is filed with the county clerk. Each amendment made  
11 to an information form, map, or plat must be signed by the directors  
12 and affirmed and acknowledged by each director who signed the form  
13 and map or plat before it is filed with the county clerk.

14 (e) The information form required by this section must be  
15 filed with the county clerk not later than the second day after the  
16 date on which the results of the confirmation election are  
17 declared.

18 (f) If there is a change in any of the information contained  
19 in the district information form, map, or plat, the district shall  
20 file an amendment to the information form, map, or plat setting  
21 forth the changes made not later than the seventh day after the  
22 change in information.

23 (g) A person commits an offense if the person affirms the  
24 accuracy of and acknowledges an information form, map, or plat or  
25 any amendment to an information form, map, or plat that includes  
26 inaccurate information. An offense under this subsection is a  
27 Class C misdemeanor.

1       (h) If a district fails to timely file the information  
2 required by this section, the attorney general or the district or  
3 county attorney may seek a writ of mandamus to require the board to  
4 prepare and file the necessary information.

5       (i) A director commits an offense if the director wilfully  
6 fails to join in filing an information form, map, or plat or an  
7 amendment to an information form, map, or plat under this section.  
8 An offense under this subsection is a Class C misdemeanor. A  
9 director is presumed to have wilfully failed to join in the filing  
10 of an information form, map, or plat or an amendment to an  
11 information form, map, or plat if that director was present at the  
12 meeting at which the information included in the information form,  
13 map, or plat or amendment to the information form, map, or plat was  
14 adopted and the director did not sign the information form, map, or  
15 plat or amendment to the information form, map, or plat.

16       Sec. 383.171. ADDITIONAL FILING ON DISSOLUTION. (a) If a  
17 district is dissolved, annexed to another local government, or  
18 consolidated with another district, the board shall file with the  
19 information form a statement that the district is being dissolved,  
20 annexed, or consolidated that includes the effective date of the  
21 dissolution, annexation, or consolidation.

22       (b) After a district is dissolved and the statement is filed  
23 under this section, a person who sells property in the dissolved  
24 district is not required to give notice under this subchapter.

25       (b) The change in law made by Subchapter J, Chapter 383,  
26 Local Government Code, as added by this section, applies only to a  
27 transfer of property that occurs on or after the effective date of

1 this section. For purposes of this subsection, a transfer of  
2 property occurs before the effective date of this section if the  
3 contract of purchase and sale binding the purchaser to purchase the  
4 property was executed before that date. Property transferred  
5 before the effective date of this section is covered by the law in  
6 effect when the property was transferred, and the former law is  
7 continued in effect for that purpose.

8 (c) A county development district created before the  
9 effective date of this section shall file an information form as  
10 required by Section 383.170, Local Government Code, as added by  
11 this section, not later than September 3, 2003.

12 SECTION 11. Subchapter A, Chapter 383, Local Government  
13 Code, is amended by adding Section 383.006 to read as follows:

14 Sec. 383.006. EXEMPTION FOR HAYS COUNTY DEVELOPMENT  
15 DISTRICT NO. 1. The changes in law made by Senate Bill No. 420, Acts  
16 of the 78th Legislature, Regular Session, 2003, do not apply to the  
17 Hays County Development District No. 1 and the law as it existed  
18 immediately before the effective date of that Act is continued in  
19 effect for purposes related to that district.

20 SECTION 12. This Act takes effect immediately if it  
21 receives a vote of two-thirds of all the members elected to each  
22 house, as provided by Section 39, Article III, Texas Constitution.  
23 If this Act does not receive the vote necessary for immediate  
24 effect, this Act takes effect September 1, 2003.