

By: Nelson

S.B. No. 420

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to county development districts; providing civil and  
3 criminal penalties.

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

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

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

11 (b) The petition must be accompanied by:

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

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

19 (b) The changes made to Section 383.022, Local Government  
20 Code, by this section apply only to a district created on or after  
21 the effective date of this section. A district that is created  
22 before the effective date of this section is governed by the law  
23 applicable to the district immediately before the effective date of  
24 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 the taxes or revenues of the  
25 district or the municipality that ensures that, following the date  
26 of the inclusion of all the district's territory in the corporate  
27 limits of the municipality, the total annual ad valorem taxes

1 collected by the municipality and the district from taxable  
2 property in the district does not exceed the municipality's ad  
3 valorem tax on the property;

4 (C) an allocation of governmental services to be  
5 provided by the municipality or the district following the date of  
6 the inclusion of all of the district's territory in the  
7 municipality's corporate boundaries; and

8 (D) any other term considered appropriate by the  
9 municipality's governing body.

10 (f) In addition to rights and remedies provided by other  
11 law, the municipality is entitled to injunctive relief or a writ of  
12 mandamus requiring the district and its officials to observe and  
13 comply with the terms prescribed in the municipality's written  
14 consent if a district violates the terms of a municipality's  
15 written consent.

16 (b) Section 383.0235, Local Government Code, as added by  
17 this section, applies only to land added to a district on or after  
18 the effective date of this section. Land added to a district before  
19 the effective date of this section is governed by the law applicable  
20 to the district immediately before the effective date of this  
21 section, and that law is continued in effect for that purpose.

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

24 (e) The temporary board of directors shall file an order  
25 canvassing the results of an election with the district records and  
26 the county clerk. The order must describe the district's  
27 boundaries. The county clerk shall record the order.

1 (b) The changes made to Section 383.034, Local Government  
2 Code, by this section apply only to an election that occurs on or  
3 after the effective date of this section. An election that occurs  
4 before the effective date of this section is governed by the law  
5 applicable to the election immediately before the effective date of  
6 this section, and that law is continued in effect for that purpose.

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

9 Sec. 383.043. PERSONS DISQUALIFIED TO SERVE. Section  
10 49.052 [~~50.026~~], Water Code, applies to a director of a district.

11 (b) The changes made to Section 383.043, Local Government  
12 Code, by this section apply only to a director appointed or elected  
13 on or after the effective date of this section. A director  
14 appointed or elected before the effective date of this section is  
15 governed by the law applicable to the director immediately before  
16 the effective date of this section, and that law is continued in  
17 effect for that purpose.

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

21 (a) The board may establish regular meetings to conduct  
22 district business and may hold special meetings at other times as  
23 the business of the district requires. The board may designate one  
24 or more places inside or outside the district for conducting the  
25 meetings.

26 (d) On written request of at least 25 qualified voters who  
27 reside in the district, the board may meet only in the district for

1 the year after the date on which the board received the request.

2 (e) The board shall give notice of any meeting place outside  
3 the district by filing a resolution establishing the location of  
4 the meeting place with the commissioners court and by publishing  
5 notice of the location in a newspaper of general circulation in the  
6 district. If the location of a meeting place outside the district  
7 changes, the board shall give notice in the same manner.

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

11 Sec. 383.067. INFRASTRUCTURE FOR RESIDENTIAL SUBDIVISIONS;  
12 TOURISM. The district may construct, finance, or otherwise provide  
13 infrastructure for a residential subdivision only if the  
14 infrastructure serves the purpose of attracting visitors and  
15 tourists to the county.

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

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

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

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

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

1 (c) A county development district created under Chapter  
2 383, Local Government Code, before the effective date of this  
3 section, shall comply with Section 383.069, Local Government Code,  
4 as added by this section, not later than January 1, 2004.

5 SECTION 8. (a) Section 383.084, Local Government Code, is  
6 amended by amending Subsection (a) and adding Subsections (c) and  
7 (d) to read as follows:

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

12 (c) The commissioners court shall file the order adding or  
13 excluding land with the county clerk. The county clerk shall record  
14 the order.

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

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

19 (2) each municipality has been notified of the  
20 proposed addition or exclusion of land, if land in the  
21 extraterritorial jurisdiction of that municipality is to be added  
22 or excluded.

23 (b) Section 383.084, Local Government Code, as amended by  
24 this section, applies only to land added or excluded to a district  
25 on or after the effective date of this section. Land added or  
26 excluded to a district before the effective date of this section is  
27 governed by the law applicable to the district immediately before

1 the effective date of this section, and that law is continued in  
2 effect for that purpose.

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

5 SUBCHAPTER I. AUDIT OF DISTRICT ACCOUNTS AND RECORDS

6 Sec. 383.141. DUTY TO AUDIT. (a) The board shall have the  
7 district's fiscal accounts and records audited annually at the  
8 expense of the district.

9 (b) The audit must be performed by a certified public  
10 accountant or public accountant certified or licensed under Chapter  
11 901, Occupations Code.

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

14 Sec. 383.142. FORM OF AUDIT. The district audit shall be  
15 performed according to the generally accepted auditing standards  
16 adopted by the American Institute of Certified Public Accountants  
17 as of January 1, 2003, or later standards adopted by the board under  
18 this section. Financial statements shall be prepared in accordance  
19 with the generally accepted accounting principles adopted by the  
20 American Institute of Certified Public Accountants as of January 1,  
21 2003, or later principles adopted by the board under this section.  
22 The board shall consider later changes to the standards or  
23 principles adopted by the institute and may adopt a standard or  
24 principle if the board considers it reasonable.

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



1 money.

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

4 Sec. 383.144. FILING OF AUDITS, AFFIDAVITS, AND FINANCIAL  
5 REPORTS. (a) After the board approves the audit and not later than  
6 the 135th day after the last day of the district's fiscal year, the  
7 board shall file a copy of the audit report to the commissioners  
8 court and the comptroller.

9 (b) If the board refuses to approve the audit report, the  
10 board shall file a copy of the report to the commissioners court and  
11 the comptroller not later than the 135th day after the last day of  
12 the district's fiscal year. The report must be accompanied by a  
13 statement from the board explaining the reasons for its failure to  
14 approve the report.

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

17 (d) When the audit report is filed with the comptroller  
18 under Subsection (a), the board shall file with the comptroller an  
19 annual filing affidavit in a format prescribed by the comptroller.  
20 The affidavit must be executed by an authorized representative of  
21 the board and must state that all copies of the audit report have  
22 been filed as required by this section.

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

26 (b) A county development district shall have an annual audit  
27 performed as required by Subchapter I, Chapter 383, Local

1 Government Code, as added by this section, only for each fiscal year  
2 that begins on or after the effective date of this section.

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

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

6 FILING OF INFORMATION

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

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

16 (1) under any type of lien foreclosure;

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

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

20 (4) to a governmental entity.

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

22 "The real property, described below, that you are about to  
23 purchase is located in the \_\_\_\_\_ District. The district has taxing  
24 authority separate from any other taxing authority and may, subject  
25 to voter approval, issue an unlimited amount of bonds and impose a  
26 sales and use tax in payment of such bonds. As of this date, the  
27 rate of the sales and use tax imposed by the district is \_\_\_\_\_

1 (one-fourth of one percent, three-eighths of one percent, or  
 2 one-half of one percent, as applicable). If the district has not  
 3 yet imposed taxes, the most recent projected rate of tax, as of this  
 4 date, is \_\_\_\_\_ (one-fourth of one percent, three-eighths of one  
 5 percent, or one-half of one percent, as applicable). The total  
 6 amount of bonds, excluding refunding bonds and any bonds or any  
 7 portion of bonds issued that are payable solely from revenues  
 8 received or expected to be received under a contract with a  
 9 governmental entity, approved by the voters and that have been or  
 10 may be issued at this date is \$\_\_\_\_\_, and the aggregate initial  
 11 principal amounts of all bonds issued for one or more of the  
 12 projects of the district and payable wholly or partly from sales and  
 13 use taxes is \$\_\_\_\_\_.

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

22 \_\_\_\_\_ (date)

23 \_\_\_\_\_ Signature of Seller

24 "PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM  
 25 IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT  
 26 ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER  
 27 THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE

1 TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO  
2 CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR  
3 PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

4 "The undersigned purchaser acknowledges receipt of this  
5 notice at or before the execution of a contract for the purchase of  
6 the real property described in the notice or at closing of purchase  
7 of the real property.

8 \_\_\_\_\_ (date)

9 \_\_\_\_\_ Signature of Purchaser

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

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

27 "The district is located wholly or partly in the

1 extraterritorial jurisdiction of \_\_\_\_\_. By law, a district  
2 located in the extraterritorial jurisdiction of a home-rule  
3 municipality may be annexed without the consent of the district or  
4 the voters of the district. When a district is annexed, the  
5 district may be dissolved."

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

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

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

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

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

1       (c) If the seller provides the notice at or before the  
2 closing of the contract and the purchaser elects to close even  
3 though the notice was not timely provided before the execution of  
4 the contract, it is conclusively presumed that the purchaser has  
5 waived all rights to terminate the contract and recover damages or  
6 pursue other remedies or rights under this subchapter.

7       Sec. 383.163. SIGNATURE OF PURCHASER. The purchaser shall  
8 sign the notice required by Section 383.161 or the contract that  
9 includes the notice to evidence the purchaser's receipt of the  
10 notice.

11       Sec. 383.164. RECORDING OF NOTICE. (a) At the closing of  
12 the contract, the seller and purchaser shall execute and  
13 acknowledge a separate copy of the notice required by Section  
14 383.161 containing information that is accurate at the time of the  
15 closing and shall record the copy of the notice in the county deed  
16 records.

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

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

1       Sec. 383.165. MODIFICATION OF NOTICE. (a) A seller and any  
2 agent, representative, or person acting on the seller's behalf may  
3 modify the notice prescribed by Section 383.161 by substituting the  
4 words "January 1, \_\_\_\_" for the words "this date" and placing the  
5 correct calendar year in the appropriate space.

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

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

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

25       Sec. 383.166. RELIANCE ON INFORMATION FORM AND MAP OR PLAT  
26 FILED BY DISTRICT. (a) In completing the notice required to be  
27 given to a prospective purchaser before the execution of the

1 contract, a seller, title insurance company, examining attorney,  
2 vendor of property and tax information, real estate broker, or  
3 lienholder, and any agent, representative, or person acting on  
4 behalf of the seller, company, attorney, vendor, broker, or  
5 lienholder, may rely on the information contained in the  
6 information form and map or plat filed of record by the district in  
7 effect as of January 1 of each year. Any seller, purchaser, title  
8 insurance company, real estate broker, examining attorney, or  
9 lienholder may rely on the information form and map or plat filed by  
10 the district.

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

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

25 Sec. 383.167. WAIVER OF DAMAGES. A purchaser who purchases  
26 real property in a district and who later sells the property is  
27 conclusively considered on the closing of the sale to have waived



1 any prior right to damages under this subchapter.

2 Sec. 383.168. SUIT FOR DAMAGES. (a) Except as otherwise  
3 provided in Section 383.169, if a sale of real property in a  
4 district fails to comply with this subchapter, the purchaser may  
5 file a suit for:

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

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

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

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

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

27 (e) An action for damages under this section does not change

1 the validity of any existing vendor's lien, mechanic's lien, or deed  
2 of trust lien on the property.

3 (f) A suit for damages under this section must be filed on or  
4 before the fourth anniversary of the date on which the property is  
5 sold to the purchaser. If a purchaser does not bring suit on or  
6 before that anniversary, the purchaser may not recover damages  
7 under this section.

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

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

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

15 Sec. 383.169. EXEMPTION FROM DAMAGES. A seller, title  
16 company, real estate broker, or examining attorney, and an agent,  
17 representative, or person acting on behalf of the seller, company,  
18 broker, or attorney, is not liable for damages under Section  
19 383.168 or liable for any other damages to any person for:

20 (1) failing to provide the notice required by Section  
21 383.161 to a purchaser before the execution of the contract, or at  
22 or before the closing of the contract, if the district did not file  
23 the information form and map or plat as required under Section  
24 383.170; or

25 (2) unintentionally providing a notice required by  
26 Section 383.161 that is incorrect under the circumstances before  
27 the execution of the contract or at or before the closing of the

1 contract.

2 Sec. 383.170. FILING INFORMATION; PENALTIES. (a) The  
3 board shall file with the county clerk an affirmed and acknowledged  
4 information form that includes the information required in  
5 Subsection (b) and a complete map or plat that describes the  
6 district boundaries.

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

9 (1) the district name;

10 (2) the complete legal description of the district  
11 boundaries;

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

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

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

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

27 (7) a statement of the functions performed or to be

1 performed by the district; and

2 (8) the notice to purchasers form required by Section  
3 383.161 to be furnished by a seller to a purchaser of real property  
4 in the district, completed by the district with all the information  
5 required to be furnished by the district.

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

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

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

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

27 (g) A person commits an offense if the person affirms the

1 accuracy of and acknowledges an information form, map, or plat, or  
2 any amendment to an information form, map, or plat that includes  
3 inaccurate information. An offense under this subsection is a  
4 Class C misdemeanor.

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

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

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

26 (b) After a district is dissolved and the statement is filed  
27 under this section, a person who sells property in the dissolved

1 district is not required to give notice under this subchapter.

2 (b) The change in law made by Subchapter J, Chapter 383,  
3 Local Government Code, as added by this section, applies only to a  
4 transfer of property that occurs on or after the effective date of  
5 this section. For purposes of this subsection, a transfer of  
6 property occurs before the effective date of this section if the  
7 contract of purchase and sale binding the purchaser to purchase the  
8 property was executed before that date. Property transferred  
9 before the effective date of this section is covered by the law in  
10 effect when the property was transferred, and the former law is  
11 continued in effect for that purpose.

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

16 SECTION 11. This Act takes effect immediately if it  
17 receives a vote of two-thirds of all the members elected to each  
18 house, as provided by Section 39, Article III, Texas  
19 Constitution. If this Act does not receive the vote necessary for  
20 immediate effect, this Act takes effect September 1, 2003.