

1-1 By: Nelson, Estes S.B. No. 420
1-2 (In the Senate - Filed February 10, 2003; February 17, 2003,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; April 7, 2003, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 April 7, 2003, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 420 By: Wentworth

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

1-10 relating to county development districts; providing penalties.
1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-12 SECTION 1. (a) Section 383.022, Local Government Code, is
1-13 amended to read as follows:
1-14 Sec. 383.022. PETITION OF LANDOWNERS. (a) To create a
1-15 district, a petition requesting creation must be filed with the
1-16 commissioners court of the county in which all of the land in the
1-17 proposed district is located.
1-18 (b) The petition must be accompanied by:
1-19 (1) a sworn statement indicating consent to creation
1-20 signed by the holders of fee simple title of all of the land in the
1-21 proposed district; and
1-22 (2) proof of written notice to a municipality of the
1-23 district's proposed creation and boundaries, if the proposed
1-24 district contains land in the extraterritorial jurisdiction of that
1-25 municipality.
1-26 (b) The changes made to Section 383.022, Local Government
1-27 Code, by this section apply only to a county development district
1-28 created on or after the effective date of this section. A district
1-29 that is created before the effective date of this section is
1-30 governed by the law applicable to the district immediately before
1-31 the effective date of this section, and that law is continued in
1-32 effect for that purpose.
1-33 SECTION 2. (a) Subchapter B, Chapter 383, Local Government
1-34 Code, is amended by adding Section 383.0235 to read as follows:
1-35 Sec. 383.0235. CONSENT OF MUNICIPALITY. (a) Land in the
1-36 corporate limits of a municipality may be included in a district
1-37 only if the municipality, by resolution or ordinance, grants its
1-38 written consent to the inclusion of the land in the district.
1-39 (b) A municipality may consent in writing to the inclusion
1-40 in the district of land in the corporate limits of a municipality
1-41 only if the municipality receives a petition requesting the
1-42 municipality's consent to the inclusion of land signed by:
1-43 (1) the owners of the majority of the assessed value of
1-44 real property in the proposed boundaries in the district according
1-45 to the most recent certified county tax appraisal roll; or
1-46 (2) at least 50 landowners in the proposed boundaries
1-47 of the district, if more than 50 persons own land in the proposed
1-48 boundaries according to the most recent certified county tax
1-49 appraisal roll.
1-50 (c) The petition must:
1-51 (1) describe the boundaries of the land to be included
1-52 in the district by:
1-53 (A) metes and bounds; or
1-54 (B) lot and block number, if there is a recorded
1-55 map or plat and survey of the area; and
1-56 (2) state the general nature of the work proposed to be
1-57 done by the district, the necessity for the work, and the cost of
1-58 the project as then estimated by those filing the petition.
1-59 (d) The municipality may not:
1-60 (1) condition its consent on a limitation of the
1-61 amounts of the district's bonds; or
1-62 (2) require annexation as a condition to its consent.
1-63 (e) In its written consent to the inclusion of land in a

2-1 district, a municipality may:

2-2 (1) require the district to construct all facilities
 2-3 to serve the land in accordance with plans and specifications that
 2-4 the municipality has approved;

2-5 (2) provide that the municipality has the right to
 2-6 inspect all facilities being constructed by the district;

2-7 (3) restrict the terms of the district's bonds and
 2-8 notes issued to provide service to the land in the municipality's
 2-9 corporate limits and restrict the conditions on the sale of the
 2-10 district's bonds and notes if the restrictions do not generally
 2-11 render the district's bonds and notes unmarketable; or

2-12 (4) require the district to enter into an allocation
 2-13 agreement with the municipality before the first issue of bonds,
 2-14 notes, warrants, or other obligations of the district, that
 2-15 provides:

2-16 (A) a method by which the district continues to
 2-17 exist following the annexation of all of the territory in the
 2-18 district by the municipality, if the district is initially located
 2-19 outside the corporate limits of the municipality;

2-20 (B) an allocation of governmental services to be
 2-21 provided by the municipality or the district following the date of
 2-22 the inclusion of all of the district's territory in the
 2-23 municipality's corporate boundaries; and

2-24 (C) any other term considered appropriate by the
 2-25 municipality's governing body.

2-26 (f) In addition to rights and remedies provided by other
 2-27 law, the municipality is entitled to injunctive relief or a writ of
 2-28 mandamus requiring the district and its officials to observe and
 2-29 comply with the terms prescribed in the municipality's written
 2-30 consent if a district violates the terms of a municipality's
 2-31 written consent.

2-32 (b) Section 383.0235, Local Government Code, as added by
 2-33 this section, applies only to land added to a county development
 2-34 district on or after the effective date of this section. Land added
 2-35 to a district before the effective date of this section is governed
 2-36 by the law applicable to the district immediately before the
 2-37 effective date of this section, and that law is continued in effect
 2-38 for that purpose.

2-39 SECTION 3. (a) Section 383.034, Local Government Code, is
 2-40 amended by adding Subsection (e) to read as follows:

2-41 (e) The temporary board of directors shall file an order
 2-42 canvassing the results of an election with the district records and
 2-43 the county clerk. The order must describe the district's
 2-44 boundaries. The county clerk shall record the order.

2-45 (b) The changes made to Section 383.034, Local Government
 2-46 Code, by this section apply only to an election that occurs on or
 2-47 after the effective date of this section. An election that occurs
 2-48 before the effective date of this section is governed by the law
 2-49 applicable to the election immediately before the effective date of
 2-50 this section, and that law is continued in effect for that purpose.

2-51 SECTION 4. (a) Section 383.043, Local Government Code, is
 2-52 amended to read as follows:

2-53 Sec. 383.043. PERSONS DISQUALIFIED TO SERVE. Section
 2-54 49.052 [50.026], Water Code, applies to a director of a district.

2-55 (b) The changes made to Section 383.043, Local Government
 2-56 Code, by this section apply only to a director of a county
 2-57 development district appointed or elected on or after the effective
 2-58 date of this section. A director appointed or elected before the
 2-59 effective date of this section is governed by the law applicable to
 2-60 the director immediately before the effective date of this section,
 2-61 and that law is continued in effect for that purpose.

2-62 SECTION 5. Section 383.053, Local Government Code, is
 2-63 amended by amending Subsection (a) and adding Subsections (d) and
 2-64 (e) to read as follows:

2-65 (a) The board may establish regular meetings to conduct
 2-66 district business and may hold special meetings at other times as
 2-67 the business of the district requires. The board may designate one
 2-68 or more places inside or outside the district for conducting the
 2-69 meetings.

3-1 (d) On written request of at least 25 qualified voters who
 3-2 reside in the district, the board may meet only in the district for
 3-3 the year after the date on which the board received the request.

3-4 (e) The board shall give notice of any meeting place outside
 3-5 the district by filing a resolution establishing the location of
 3-6 the meeting place with the commissioners court and by publishing
 3-7 notice of the location in a newspaper of general circulation in the
 3-8 district. If the location of a meeting place outside the district
 3-9 changes, the board shall give notice in the same manner.

3-10 SECTION 6. Subchapter D, Chapter 383, Local Government
 3-11 Code, is amended by adding Sections 383.067 and 383.068 to read as
 3-12 follows:

3-13 Sec. 383.067. INFRASTRUCTURE FOR RESIDENTIAL SUBDIVISIONS;
 3-14 TOURISM. The district may construct, finance, or otherwise provide
 3-15 infrastructure for a residential subdivision only if the
 3-16 infrastructure serves the purpose of attracting visitors and
 3-17 tourists to the county.

3-18 Sec. 383.068. AD VALOREM TAXES PROHIBITED. The district
 3-19 may not impose an ad valorem tax.

3-20 SECTION 7. (a) Subchapter D, Chapter 383, Local Government
 3-21 Code, is amended by adding Section 383.069 to read as follows:

3-22 Sec. 383.069. POSTING SIGNS IN THE DISTRICT. (a) Not
 3-23 later than the 30th day after the date the district is created, the
 3-24 district shall post signs indicating the district's existence at
 3-25 two principal entrances to the district.

3-26 (b) The board shall determine the information on and the
 3-27 size and exact location of the signs.

3-28 (b) Section 383.069, Local Government Code, as added by this
 3-29 section, takes effect September 1, 2003.

3-30 (c) A county development district created under Chapter
 3-31 383, Local Government Code, before the effective date of this
 3-32 section, shall comply with Section 383.069, Local Government Code,
 3-33 as added by this section, not later than January 1, 2004.

3-34 SECTION 8. (a) Section 383.084, Local Government Code, is
 3-35 amended by amending Subsection (a) and adding Subsections (c) and
 3-36 (d) to read as follows:

3-37 (a) Before the board issues bonds, the board, [~~on its own~~
 3-38 ~~motion or~~] on request of a landowner in the district, may petition
 3-39 the commissioners court for the addition of land to or exclusion of
 3-40 land from the district.

3-41 (c) The commissioners court shall file the order adding or
 3-42 excluding land with the county clerk. The county clerk shall record
 3-43 the order.

3-44 (d) The commissioners court may not add or exclude land
 3-45 under this section unless:

3-46 (1) each person who owns land that is to be added or
 3-47 excluded consents to the addition or exclusion; and

3-48 (2) each municipality has been notified of the
 3-49 proposed addition or exclusion of land, if land in the
 3-50 extraterritorial jurisdiction of that municipality is to be added
 3-51 or excluded.

3-52 (b) Section 383.084, Local Government Code, as amended by
 3-53 this section, applies only to land added to or excluded from a
 3-54 county development district on or after the effective date of this
 3-55 section. Land added to or excluded from a district before the
 3-56 effective date of this section is governed by the law applicable to
 3-57 the district immediately before the effective date of this section,
 3-58 and that law is continued in effect for that purpose.

3-59 SECTION 9. (a) Chapter 383, Local Government Code, is
 3-60 amended by adding Subchapter I to read as follows:

3-61 SUBCHAPTER I. AUDIT OF DISTRICT ACCOUNTS AND RECORDS

3-62 Sec. 383.141. DUTY TO AUDIT. (a) The board shall have the
 3-63 district's fiscal accounts and records audited annually at the
 3-64 expense of the district.

3-65 (b) The audit must be performed by a certified public
 3-66 accountant or public accountant certified or licensed under Chapter
 3-67 901, Occupations Code.

3-68 (c) The audit must be completed not later than the 120th day
 3-69 after the last day of the district's fiscal year.

4-1 Sec. 383.142. FORM OF AUDIT. The district audit shall be
 4-2 performed according to the generally accepted auditing standards
 4-3 adopted by the American Institute of Certified Public Accountants
 4-4 as of January 1, 2003, or later standards adopted by the board under
 4-5 this section. Financial statements shall be prepared in accordance
 4-6 with the generally accepted accounting principles adopted by the
 4-7 American Institute of Certified Public Accountants as of January 1,
 4-8 2003, or later principles adopted by the board under this section.
 4-9 The board shall consider later changes to the standards or
 4-10 principles adopted by the institute and may adopt a standard or
 4-11 principle if the board considers it reasonable.

4-12 Sec. 383.143. FINANCIAL REPORTS. (a) Any depository,
 4-13 treasurer, or bookkeeper who receives or has control over any
 4-14 district money shall keep a full and itemized account of that
 4-15 money.

4-16 (b) The depository, treasurer, and bookkeeper shall make
 4-17 the itemized accounts available for audit.

4-18 Sec. 383.144. FILING OF AUDITS, AFFIDAVITS, AND FINANCIAL
 4-19 REPORTS. (a) After the board approves the audit and not later than
 4-20 the 135th day after the last day of the district's fiscal year, the
 4-21 board shall file a copy of the audit report to the commissioners
 4-22 court and the comptroller.

4-23 (b) If the board refuses to approve the audit report, the
 4-24 board shall file a copy of the report to the commissioners court and
 4-25 the comptroller not later than the 135th day after the last day of
 4-26 the district's fiscal year. The report must be accompanied by a
 4-27 statement from the board explaining the reasons for its failure to
 4-28 approve the report.

4-29 (c) A district shall file a copy of each audit in the
 4-30 district office.

4-31 (d) When the audit report is filed with the comptroller
 4-32 under Subsection (a), the board shall file with the comptroller an
 4-33 annual filing affidavit in a format prescribed by the comptroller.
 4-34 The affidavit must be executed by an authorized representative of
 4-35 the board and must state that all copies of the audit report have
 4-36 been filed as required by this section.

4-37 Sec. 383.145. NONCOMPLIANCE; DUTY OF COMPTROLLER. The
 4-38 comptroller shall file with the attorney general the names of any
 4-39 districts that do not comply with this subchapter.

4-40 (b) A county development district shall have an annual audit
 4-41 performed as required by Subchapter I, Chapter 383, Local
 4-42 Government Code, as added by this section, only for each fiscal year
 4-43 that begins on or after the effective date of this section.

4-44 SECTION 10. (a) Chapter 383, Local Government Code, is
 4-45 amended by adding Subchapter J to read as follows:

4-46 SUBCHAPTER J. NOTICE OF DISTRICT TO PURCHASERS OF REAL PROPERTY;
 4-47 FILING OF INFORMATION

4-48 Sec. 383.161. NOTICE TO PURCHASERS. (a) If a person
 4-49 proposes to sell real property located in a district that is
 4-50 acquiring or planning to acquire a project that has been financed or
 4-51 is proposed to be financed with district bonds payable wholly or
 4-52 partly from district taxes, the person must give to the purchaser
 4-53 written notice as prescribed by this section. An executory
 4-54 contract that has a performance period of more than six months is
 4-55 considered a sale of real property under this section.

4-56 (b) This section does not apply to a transfer of title:

- 4-57 (1) under any type of lien foreclosure;
 4-58 (2) by deed in cancellation of indebtedness secured by
 4-59 a lien on the property conveyed;
 4-60 (3) by reason of a will or probate proceedings; or
 4-61 (4) to a governmental entity.

4-62 (c) The notice must be executed by the seller and read:

4-63 "The real property, described below, that you are about to
 4-64 purchase is located in the _____ District. The district has taxing
 4-65 authority separate from any other taxing authority and may, subject
 4-66 to voter approval, issue an unlimited amount of bonds and impose a
 4-67 sales and use tax in payment of such bonds. As of this date, the
 4-68 rate of the sales and use tax imposed by the district is _____
 4-69 (one-fourth of one percent, three-eighths of one percent, or

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

5-13 "The purpose of this district is to provide incentives for
5-14 the location and development of projects to attract visitors and
5-15 tourists to the county through the issuance of bonds payable wholly
5-16 or partly from sales and use taxes. The cost of the facilities
5-17 built or maintained for this purpose is not included in the purchase
5-18 price of the property you are purchasing, and these facilities are
5-19 owned or to be owned by the district. The legal description of the
5-20 property you are purchasing is:

5-21 _____ (date)

Signature of Seller

5-22 _____
5-23 "PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM
5-24 IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT
5-25 ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER
5-26 THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE
5-27 TAX RATES ARE APPROVED BY THE DISTRICT. PURCHASER IS ADVISED TO
5-28 CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR
5-29 PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

5-30 "The undersigned purchaser acknowledges receipt of this
5-31 notice at or before the execution of a contract for the purchase of
5-32 the real property described in the notice or at closing of purchase
5-33 of the real property.

5-34 _____ (date)

Signature of Purchaser

5-35 _____
5-36 "(Note: Correct district name, tax rate, bond amounts, and
5-37 legal description are to be placed in the appropriate space.)
5-38 Except for notices included as an addendum or paragraph of a
5-39 purchase contract, the notice shall be executed by the seller and
5-40 purchaser, as indicated. If the district has not yet imposed taxes,
5-41 a statement of the district's most recent projected rate of tax is
5-42 to be placed in the appropriate space. For the purposes of the
5-43 notice form required to be given to the prospective purchaser
5-44 before execution of the contract, a seller and any agent,
5-45 representative, or person acting on the seller's behalf may modify
5-46 the notice by substitution of the words 'January 1, ____' for the
5-47 words 'this date' and place the correct calendar year in the
5-48 appropriate space."

5-49 (d) If the district is located wholly or partly in the
5-50 extraterritorial jurisdiction of one or more home-rule
5-51 municipalities and not in the corporate boundaries of a
5-52 municipality, the notice prescribed by Subsection (c) must include:

5-53 "The district is located wholly or partly in the
5-54 extraterritorial jurisdiction of _____. By law, a district
5-55 located in the extraterritorial jurisdiction of a home-rule
5-56 municipality may be annexed without the consent of the district or
5-57 the voters of the district. When a district is annexed, the
5-58 district may be dissolved."

5-59 (e) If a district is located wholly or partly in the
5-60 corporate boundaries of a municipality, the notice prescribed by
5-61 Subsection (c) must include:

5-62 "The district is located wholly or partly in the corporate
5-63 boundaries of _____. The taxpayers of the district are
5-64 subject to the taxes imposed by the municipality and by the district
5-65 until the district is dissolved. By law, if all of the territory of
5-66 a district is located in or annexed by a municipality, the district
5-67 may be dissolved by agreement between the board of directors of the
5-68 district and the governing body of the municipality without the
5-69 consent of the voters of the district."

6-1 (f) If the law relating to annexation or district
 6-2 dissolution is amended and causes inaccuracies in the content of
 6-3 the notice prescribed by this section, the district shall revise
 6-4 the content of the notices to accurately reflect the changes in the
 6-5 law.

6-6 Sec. 383.162. TIMING OF NOTICE. (a) The notice required
 6-7 by Section 383.161 must be given to the prospective purchaser
 6-8 before the execution of the contract. The notice may be given
 6-9 separately or as an addendum or paragraph to the contract.

6-10 (b) If the seller fails to provide the notice required by
 6-11 Section 383.161, the purchaser may terminate the contract.

6-12 (c) If the seller provides the notice at or before the
 6-13 closing of the contract and the purchaser elects to close even
 6-14 though the notice was not timely provided before the execution of
 6-15 the contract, it is conclusively presumed that the purchaser has
 6-16 waived all rights to terminate the contract and recover damages or
 6-17 pursue other remedies or rights under this subchapter.

6-18 Sec. 383.163. SIGNATURE OF PURCHASER. The purchaser shall
 6-19 sign the notice required by Section 383.161 or the contract that
 6-20 includes the notice to evidence the purchaser's receipt of the
 6-21 notice.

6-22 Sec. 383.164. RECORDING OF NOTICE. (a) At the closing of
 6-23 the contract, the seller and purchaser shall execute and
 6-24 acknowledge a separate copy of the notice required by Section
 6-25 383.161 containing information that is accurate at the time of the
 6-26 closing and shall record the copy of the notice in the county deed
 6-27 records.

6-28 (b) In completing the notice to be executed by the seller
 6-29 and purchaser at the closing of the contract, a seller, title
 6-30 company, real estate broker, or examining attorney, and any agent,
 6-31 representative, or person acting on behalf of the seller, company,
 6-32 broker, or attorney, may rely on the accuracy of the information
 6-33 form and map or plat that is last filed by the district under
 6-34 Section 383.170.

6-35 (c) Any information taken from the information form and map
 6-36 or plat filed by the district under Section 383.170 is conclusively
 6-37 presumed to be correct as a matter of law for purposes of this
 6-38 section.

6-39 Sec. 383.165. MODIFICATION OF NOTICE. (a) A seller and
 6-40 any agent, representative, or person acting on the seller's behalf
 6-41 may modify the notice prescribed by Section 383.161 by substituting
 6-42 the words "January 1, ____" for the words "this date" and placing the
 6-43 correct calendar year in the appropriate space.

6-44 (b) Except as otherwise provided in Section 383.164, any
 6-45 information taken from the information form and map or plat filed by
 6-46 the district in effect as of January 1 of each year is conclusively
 6-47 presumed as a matter of law to be correct for the period beginning
 6-48 January 1 and ending December 31 of the same calendar year, for
 6-49 purposes of the notice to be given to the prospective purchaser
 6-50 before the execution of the contract.

6-51 (c) A seller and any person completing the prescribed notice
 6-52 on the seller's behalf may provide on the prescribed notice form any
 6-53 available information that is more recent than the information
 6-54 contained in the information form and map or plat filed of record by
 6-55 the district under Section 383.170 in effect as of January 1 of each
 6-56 year.

6-57 (d) Subsection (c) does not create an affirmative duty on
 6-58 the part of a seller or any person completing the prescribed notice
 6-59 on the seller's behalf to provide on the prescribed notice form more
 6-60 recent information than the information taken from the information
 6-61 form and map or plat filed of record by the district in effect as of
 6-62 January 1 of each year.

6-63 Sec. 383.166. RELIANCE ON INFORMATION FORM AND MAP OR PLAT
 6-64 FILED BY DISTRICT. (a) In completing the notice required to be
 6-65 given to a prospective purchaser before the execution of the
 6-66 contract, a seller, title insurance company, examining attorney,
 6-67 vendor of property and tax information, real estate broker, or
 6-68 lienholder, and any agent, representative, or person acting on
 6-69 behalf of the seller, company, attorney, vendor, broker, or

7-1 lienholder, may rely on the information contained in the
 7-2 information form and map or plat filed of record by the district in
 7-3 effect as of January 1 of each year. Any seller, purchaser, title
 7-4 insurance company, real estate broker, examining attorney, or
 7-5 lienholder may rely on the information form and map or plat filed by
 7-6 the district.

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

7-17 (c) An action may not be maintained against a title company
 7-18 for the failure to disclose that the described real property is
 7-19 included in a district if the district did not file for record the
 7-20 information form and map or plat with the county clerk.

7-21 Sec. 383.167. WAIVER OF DAMAGES. A purchaser who purchases
 7-22 real property in a district and who later sells the property is
 7-23 conclusively considered on the closing of the sale to have waived
 7-24 any prior right to damages under this subchapter.

7-25 Sec. 383.168. SUIT FOR DAMAGES. (a) Except as otherwise
 7-26 provided in Section 383.169, if a sale of real property in a
 7-27 district fails to comply with this subchapter, the purchaser may
 7-28 file a suit for:

7-29 (1) the amount of all costs related to the purchase of
 7-30 the property plus interest and reasonable attorney's fees; or

7-31 (2) an amount not to exceed \$5,000 plus reasonable
 7-32 attorney's fees.

7-33 (b) A suit for damages under Subsection (a)(1) may be filed
 7-34 jointly or severally against the individual or entity that sold the
 7-35 property to the purchaser. Following the recovery of damages under
 7-36 Subsection (a)(1), the amount of the damages shall be paid first to
 7-37 satisfy all unpaid obligations on each outstanding lien on the
 7-38 property and the remainder of the damage amount shall be paid to the
 7-39 purchaser. On payment of all damages recovered under Subsection
 7-40 (a)(1) to each lienholder and the purchaser, the purchaser shall
 7-41 reconvey the property to the seller.

7-42 (c) A purchaser may not recover damages under both
 7-43 Subsections (a)(1) and (2). An entry of a final decision awarding
 7-44 damages to the purchaser under either Subsection (a)(1) or (2)
 7-45 precludes the purchaser from recovering damages under the other
 7-46 subsection.

7-47 (d) The relief provided under Subsection (a) provides the
 7-48 exclusive remedies for a purchaser aggrieved by the seller's
 7-49 failure to comply with this subchapter.

7-50 (e) An action for damages under this section does not change
 7-51 the validity of any existing vendor's lien, mechanic's lien, or deed
 7-52 of trust lien on the property.

7-53 (f) A suit for damages under this section must be filed on or
 7-54 before the fourth anniversary of the date on which the property is
 7-55 sold to the purchaser. If a purchaser does not bring suit on or
 7-56 before that anniversary, the purchaser may not recover damages
 7-57 under this section.

7-58 (g) A purchaser may not recover damages under this section
 7-59 if the person:

7-60 (1) purchases an equity interest in real property and,
 7-61 in conjunction with the purchase, assumes any liens, including a
 7-62 purchase money lien; and

7-63 (2) does not require proof of title by abstract, title
 7-64 policy, or any other proof of title.

7-65 Sec. 383.169. EXEMPTION FROM DAMAGES. A seller, title
 7-66 company, real estate broker, or examining attorney, and an agent,
 7-67 representative, or person acting on behalf of the seller, company,
 7-68 broker, or attorney, is not liable for damages under Section
 7-69 383.168 or liable for any other damages to any person for:

8-1 (1) failing to provide the notice required by Section
 8-2 383.161 to a purchaser before the execution of the contract, or at
 8-3 or before the closing of the contract, if the district did not file
 8-4 the information form and map or plat as required under Section
 8-5 383.170; or

8-6 (2) unintentionally providing a notice required by
 8-7 Section 383.161 that is incorrect under the circumstances before
 8-8 the execution of the contract or at or before the closing of the
 8-9 contract.

8-10 Sec. 383.170. FILING INFORMATION; PENALTIES. (a) The
 8-11 board shall file with the county clerk an affirmed and acknowledged
 8-12 information form that includes the information required in
 8-13 Subsection (b) and a complete map or plat that describes the
 8-14 district boundaries.

8-15 (b) The information form filed by a district under this
 8-16 section shall include:

8-17 (1) the district name;
 8-18 (2) the complete legal description of the district
 8-19 boundaries;

8-20 (3) the most recent rate of sales and use taxes imposed
 8-21 by the district;

8-22 (4) the total amount of bonds that have been approved
 8-23 by the voters and that may be issued by the district, excluding
 8-24 refunding bonds and any bonds or portion of bonds payable solely
 8-25 from revenues received or expected to be received under a contract
 8-26 with a governmental entity;

8-27 (5) the aggregate initial principal amount of all
 8-28 bonds of the district payable wholly or partly from taxes,
 8-29 excluding refunding bonds and any bonds or portion of bonds payable
 8-30 solely from revenues received or expected to be received under a
 8-31 contract with a governmental entity, that have been previously
 8-32 issued;

8-33 (6) the date on which the election to confirm the
 8-34 creation of the district was held;

8-35 (7) a statement of the functions performed or to be
 8-36 performed by the district; and

8-37 (8) the notice to purchasers form required by Section
 8-38 383.161 to be furnished by a seller to a purchaser of real property
 8-39 in the district, completed by the district with all the information
 8-40 required to be furnished by the district.

8-41 (c) If a district has not imposed taxes when the district
 8-42 files the information form under this section, the district shall
 8-43 substitute for Subsections (b)(3) and (5) a statement that the
 8-44 district has not imposed taxes at the time of filing that includes
 8-45 the district's most recent projected rate of debt service tax.

8-46 (d) The information form and map or plat required by this
 8-47 section must be signed by a majority of the directors and affirmed
 8-48 and acknowledged by each director who signed the form and map or
 8-49 plat before it is filed with the county clerk. Each amendment made
 8-50 to an information form, map, or plat must be signed by the directors
 8-51 and affirmed and acknowledged by each director who signed the form
 8-52 and map or plat before it is filed with the county clerk.

8-53 (e) The information form required by this section must be
 8-54 filed with the county clerk not later than the second day after the
 8-55 date on which the results of the confirmation election are
 8-56 declared.

8-57 (f) If there is a change in any of the information contained
 8-58 in the district information form, map, or plat, the district shall
 8-59 file an amendment to the information form, map, or plat setting
 8-60 forth the changes made not later than the seventh day after the
 8-61 change in information.

8-62 (g) A person commits an offense if the person affirms the
 8-63 accuracy of and acknowledges an information form, map, or plat or
 8-64 any amendment to an information form, map, or plat that includes
 8-65 inaccurate information. An offense under this subsection is a
 8-66 Class C misdemeanor.

8-67 (h) If a district fails to timely file the information
 8-68 required by this section, the attorney general or the district or
 8-69 county attorney may seek a writ of mandamus to require the board to

9-1 prepare and file the necessary information.

9-2 (i) A director commits an offense if the director wilfully
9-3 fails to join in filing an information form, map, or plat or an
9-4 amendment to an information form, map, or plat under this section.
9-5 An offense under this subsection is a Class C misdemeanor. A
9-6 director is presumed to have wilfully failed to join in the filing
9-7 of an information form, map, or plat or an amendment to an
9-8 information form, map, or plat if that director was present at the
9-9 meeting at which the information included in the information form,
9-10 map, or plat or amendment to the information form, map, or plat was
9-11 adopted and the director did not sign the information form, map, or
9-12 plat or amendment to the information form, map, or plat.

9-13 Sec. 383.171. ADDITIONAL FILING ON DISSOLUTION. (a) If a
9-14 district is dissolved, annexed to another local government, or
9-15 consolidated with another district, the board shall file with the
9-16 information form a statement that the district is being dissolved,
9-17 annexed, or consolidated that includes the effective date of the
9-18 dissolution, annexation, or consolidation.

9-19 (b) After a district is dissolved and the statement is filed
9-20 under this section, a person who sells property in the dissolved
9-21 district is not required to give notice under this subchapter.

9-22 (b) The change in law made by Subchapter J, Chapter 383,
9-23 Local Government Code, as added by this section, applies only to a
9-24 transfer of property that occurs on or after the effective date of
9-25 this section. For purposes of this subsection, a transfer of
9-26 property occurs before the effective date of this section if the
9-27 contract of purchase and sale binding the purchaser to purchase the
9-28 property was executed before that date. Property transferred
9-29 before the effective date of this section is covered by the law in
9-30 effect when the property was transferred, and the former law is
9-31 continued in effect for that purpose.

9-32 (c) A county development district created before the
9-33 effective date of this section shall file an information form as
9-34 required by Section 383.170, Local Government Code, as added by
9-35 this section, not later than September 3, 2003.

9-36 SECTION 11. Subchapter A, Chapter 383, Local Government
9-37 Code, is amended by adding Section 383.006 to read as follows:

9-38 Sec. 383.006. EXEMPTION FOR HAYS COUNTY DEVELOPMENT
9-39 DISTRICT NO. 1. The changes in law made by Senate Bill No. 420, Acts
9-40 of the 78th Legislature, Regular Session, 2003, do not apply to the
9-41 Hays County Development District No. 1 and the law as it existed
9-42 immediately before the effective date of that Act is continued in
9-43 effect for purposes related to that district.

9-44 SECTION 12. This Act takes effect immediately if it
9-45 receives a vote of two-thirds of all the members elected to each
9-46 house, as provided by Section 39, Article III, Texas Constitution.
9-47 If this Act does not receive the vote necessary for immediate
9-48 effect, this Act takes effect September 1, 2003.

9-49 * * * * *