

By: Watson

S.B. No. 1688

Substitute the following for S.B. No. 1688:

By: Krusee

C.S.S.B. No. 1688

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the creation, powers, and duties of a transportation  
3 infrastructure services district created by a municipality;  
4 imposing taxes and authorizing bonds.

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

6 SECTION 1. Subtitle I, Title 6, Transportation Code, is  
7 amended by adding Chapter 432 to read as follows:

8 CHAPTER 432. TRANSPORTATION INFRASTRUCTURE SERVICES DISTRICT

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 432.001. DEFINITIONS. In this chapter:

11 (1) "Board" means a district's board of directors.

12 (2) "Bond" has the meaning assigned to "public  
13 security" by Section 1201.002(2), Government Code.

14 (3) "Bond petitioner" means a person or entity that  
15 does not reside or maintain a principal office in a district but  
16 that owns real property in a district as determined from the most  
17 recent certified county property tax rolls.

18 (4) "Corporate limits" means the boundaries of areas  
19 included within the principal municipality for full purposes.

20 (5) "District" means a transportation infrastructure  
21 services district.

22 (6) "District voters" means qualified voters residing  
23 in a district.

24 (7) "Principal municipality" means the most populous

1 municipality in a county.

2 (8) "Retail public utility" has the meaning assigned  
3 by Section 13.002, Water Code.

4 Sec. 432.002. NATURE OF DISTRICT. A district is a special  
5 district and a political subdivision of this state created under  
6 Section 59, Article XVI, Texas Constitution.

7 Sec. 432.003. PURPOSE; DECLARATION OF INTENT. (a) The  
8 creation of a district is essential to accomplish the purposes of  
9 Sections 52 and 52-a, Article III, and Section 59, Article XVI,  
10 Texas Constitution, and other public purposes stated in this  
11 chapter. In enacting this chapter, the legislature is creating a  
12 program under Section 52-a, Article III, Texas Constitution.

13 (b) The creation of a district is necessary to ensure that  
14 necessary infrastructure services, including road facilities and  
15 water, wastewater, and drainage infrastructure, are provided to  
16 areas abutting toll projects to promote, develop, encourage, and  
17 maintain employment, commerce, economic development, and the  
18 public welfare in the district territory.

19 Sec. 432.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

20 (a) A district is created to serve a public use and benefit.

21 (b) All land and other property included in a district will  
22 benefit from the improvements and services to be provided by a  
23 district under powers conferred by Sections 52 and 52-a, Article  
24 III, and Section 59, Article XVI, Texas Constitution, and other  
25 powers granted under this chapter.

26 (c) The creation of a district is in the public interest and  
27 is essential to:

1           (1) further the public purposes of:

2                   (A) developing and diversifying the economy of  
3 the state; and

4                   (B) providing a safe, reliable, and adequate  
5 transportation system;

6                   (C) controlling, storing, preserving, and  
7 distributing storm water and floodwater, the water of rivers and  
8 streams for irrigation, power, and all other useful purposes;

9                   (D) providing municipal collection and  
10 wastewater treatment; and

11           (2) develop or expand transportation and commerce by  
12 providing the necessary infrastructure, including road facilities  
13 and water, wastewater, and drainage infrastructure, to ensure the  
14 highest and best use of territory in a district that supports  
15 efficient transportation systems and robust commercial and  
16 residential activity.

17           (d) The present and prospective traffic congestion in areas  
18 abutting a toll project, the need to plan for, manage, and control  
19 traffic and provide for the safety of pedestrians in those areas,  
20 and the limited availability of money require the promotion and  
21 development of transportation and related infrastructure by new and  
22 alternative means. A district will serve the public purpose of  
23 securing adequate infrastructure that is safe and will benefit not  
24 only the land and other property in a district but also the  
25 employees, employers, and consumers of a district and the public.

26           (e) A district will not act as the agent or instrumentality  
27 of any private interest even though a district will benefit many

1 private interests as well as the public.

2 Sec. 432.005. LIBERAL CONSTRUCTION OF CHAPTER. This  
3 chapter shall be liberally construed in conformity with the  
4 findings and purposes stated in this chapter.

5 Sec. 432.006. APPLICATION OF OTHER LAW. Except as  
6 expressly provided by this chapter, Chapter 49, Water Code, does  
7 not apply to a district created under this chapter.

8 [Sections 432.007-432.050 reserved for expansion]

9 SUBCHAPTER B. CREATION OF DISTRICT

10 Sec. 432.051. AREAS ELIGIBLE FOR CREATION OF DISTRICT.

11 (a) A district may be created only in an area located:

12 (1) entirely in a county with a population of less than  
13 1.3 million in which the principal municipality has a population of  
14 600,000 or more;

15 (2) within an area that is a corridor that is bounded  
16 on:

17 (A) the east by a line that is two miles to the  
18 east of the center line of a toll project that passes through the  
19 extraterritorial jurisdiction or corporate limits of the principal  
20 municipality; and

21 (B) the west by:

22 (i) a line that is five miles to the west of  
23 the center line; or

24 (ii) the principal municipality's eastern  
25 full-purpose boundary, whichever is less; and

26 (3) except as provided by Subsection (c)(2), inside  
27 the extraterritorial jurisdiction of the principal municipality.

1       (b) A district is not required to be immediately adjacent to  
2 a toll project.

3       (c) A district may include:

4           (1) homestead territory not excluded under Section  
5 432.056.

6           (2) territory not excluded under Section 432.057.

7           (3) territory that has been annexed by the principal  
8 municipality for limited purposes if the owner of the territory  
9 requests in writing the inclusion of the territory in a district.

10       Sec. 432.052. HEARINGS. (a) Not earlier than the 60th day  
11 or later than the 30th day before the date the governing body of the  
12 principal municipality creates a district under Section 432.053,  
13 the governing body must hold two hearings to consider the creation  
14 of the proposed district.

15       (b) Not later than the seventh day before the date of each  
16 hearing, the principal municipality must publish notice of the  
17 hearing in a newspaper of general circulation in the area of the  
18 proposed district.

19       (c) The notice must state:

20           (1) the date, time, and place for the hearing;

21           (2) the boundaries of the proposed district, including  
22 a map of the proposed district;

23           (3) the powers of the proposed district, including the  
24 power to impose assessments and ad valorem taxes; and

25           (4) the fact that a sales and use tax will be imposed.

26       Sec. 432.053. CREATION BY ORDINANCE. (a) The governing  
27 body of the principal municipality by ordinance may create a

1 district.

2 (b) The ordinance must:

3 (1) describe the district's boundaries; and

4 (2) name the district the "(insert name)  
5 Transportation Infrastructure Services District."

6 Sec. 432.054. MISTAKE IN BOUNDARY DESCRIPTION. A mistake  
7 in the field notes in the municipal ordinance creating a district or  
8 in copying the field notes of district boundaries does not in any  
9 way affect a district's:

10 (1) organization, existence, or validity;

11 (2) right to issue any type of bond for a purpose for  
12 which the district is created or to pay the principal of and  
13 interest on the bond;

14 (3) right to impose or collect a tax; or

15 (4) legality or operation.

16 Sec. 432.055. VOTING RIGHTS AND ELIGIBILITY FOR OFFICE OF  
17 DISTRICT RESIDENTS. The qualified voters of a district are  
18 entitled to vote in the elections of the principal municipality  
19 except bond elections for bonds issued by the principal  
20 municipality under other law. A district resident is not eligible  
21 to be a candidate for or to be elected to a municipal office.

22 Sec. 432.056. EXCLUSION OF HOMESTEAD TERRITORY. (a) The  
23 district may not include any homestead territory unless the owner  
24 of the territory requests in writing that the territory be included  
25 in a district. The written notice must contain a sufficient  
26 description of the property to enable identification of the  
27 territory to be included.

1       (b) Upon receipt of a written request described by  
2 Subsection (a), the board may accept or reject the request. The  
3 board shall provide notice of its action to the requestor and to the  
4 principal municipality's governing body.

5       (c) If the board accepts the request, the board must notify  
6 the principal municipality's governing body of the facts of the  
7 request and the board's acceptance.

8       (d) Not later than the 14th day after the date the governing  
9 body receives the notice from the board, the governing body shall  
10 enter an order in its minutes that the homestead territory is  
11 included in a district created by the governing body's ordinance by  
12 operation of law. A copy of the order shall be filed with the county  
13 clerk of the county in which a district is located.

14       Sec. 432.057. EXCLUSION OF CERTAIN PLATTED  
15 TERRITORY. Without the written consent of the owner in writing,  
16 the district may not include any territory that is described on a  
17 plat that was approved by the appropriate governmental entity on or  
18 before April 1, 2007.

19       Sec. 432.058. MULTIPLE DISTRICTS. (a) The principal  
20 municipality may create one or more districts under this chapter.

21       (b) A district may not include territory that is already  
22 included within the boundaries of a district created under this  
23 chapter.

24       [Sections 432.058-432.100 reserved for expansion]

25       SUBCHAPTER C. ANNEXATION AND RELATED ISSUES

26       Sec. 432.101. ANNEXATION OF DISTRICT TERRITORY BY PRINCIPAL  
27 MUNICIPALITY. (a) The principal municipality may annex all or

1 part of the territory located in the district for full purposes  
2 under Chapter 43, Local Government Code.

3 (b) Except as provided by Sections 432.253(d) and 432.352,  
4 full-purpose annexation of an area in the district does not affect  
5 the operation of the district in the area that is not annexed.

6 (c) The law governing pre-existing land uses in territory  
7 annexed by a municipality, including Section 43.002, Local  
8 Government Code, apply to the territory annexed under this section  
9 by the principal municipality.

10 (d) If the principal municipality annexes part of the  
11 territory in a district, the principal municipality, at its option,  
12 shall:

13 (1) assume a pro rata share of the property, assets,  
14 debts, liabilities, and obligations of the district attributable to  
15 the annexed territory; or

16 (2) pay the district an annual payment equal to the  
17 debt service costs of the district attributable to the annexed  
18 territory.

19 (e) For purposes of determining assumption or payment under  
20 Subsection (d), any valuation agreed to by the principal  
21 municipality's governing body and the board that reasonably  
22 reflects the value of the property, assets, debts, liabilities, and  
23 obligations of the district may be used. The valuation agreement  
24 must be approved by a two-thirds vote of the board.

25 Sec. 432.102. PLANNING AND ZONING BY PRINCIPAL  
26 MUNICIPALITY. (a) The principal municipality may exercise  
27 planning and zoning authority under Subtitle A, Title 7, Local



1 Government Code, in the transportation infrastructure impact zone,  
2 including the imposition of its planning and zoning ordinances in  
3 the zone.

4 (b) As soon as practicable after the effective date of this  
5 chapter, the principal municipality's governing body shall  
6 establish appropriate initial zoning classifications for territory  
7 in the zone.

8 (c) The principal municipality may exercise planning and  
9 zoning authority under Subtitle A, Title 7, Local Government Code,  
10 in a district if the district voters approve the question at the  
11 election held under Section 432.260(e).

12 (d) If the principal municipality is authorized to impose  
13 its planning and zoning ordinances in a district, the land  
14 development code of the principal municipality is the land  
15 development code of that district.

16 (e) A board shall publish a land use plan for territory in a  
17 district not later than the second anniversary of the date the  
18 district is created.

19 (f) The land use plan must be based on a proposal submitted  
20 to the board by the land use advisory committee.

21 (g) As used in this section, "transportation infrastructure  
22 impact zone" means the area bounded by and included within the area  
23 located within 1,250 feet on each side of the center line of the  
24 toll project as it passes through the principal municipality's  
25 extraterritorial jurisdiction, excluding any right-of-way.

26 Sec. 432.103. LAND USE ADVISORY COMMITTEE. (a) The  
27 principal municipality may not impose a change in its planning or

1 zoning ordinances that applies to a district unless the governing  
2 body of the principal municipality appoints a land use advisory  
3 committee composed of the public directors and other persons who  
4 are representatives of a broad cross-section of the commercial and  
5 homebuilding interests and residents of the district as determined  
6 by the governing body. At least 75 percent of the persons on the  
7 advisory committee must be owners of property in the district.

8 (b) The advisory committee shall:

9 (1) recommend an initial land use plan to the board;

10 and

11 (2) review all proposed changes by the principal  
12 municipality to its planning and zoning ordinances that would apply  
13 to the area in a district.

14 (c) If the advisory committee does not recommend that the  
15 principal municipality adopt the proposed changes, the principal  
16 municipality must hold a hearing for which notice is given and that  
17 is conducted in the manner provided by Section 432.052 before it may  
18 impose the changes.

19 Sec. 432.104. NO EXTENSION OF EXTRATERRITORIAL  
20 JURISDICTION. A district's territory does not extend the  
21 extraterritorial jurisdiction of the principal municipality.

22 Sec. 432.105. CONTINUATION OF LAND USE IN A DISTRICT. (a)  
23 The principal municipality may not, in exercising planning and  
24 zoning authority in a district, prohibit a person in a district  
25 from:

26 (1) continuing to use land in the area in the manner in  
27 which the land was being used on the date the principal municipality

1 is granted planning and zoning authority in a district if the land  
2 use was legal at that time; or

3 (2) beginning to use land in the area in the manner  
4 that was planned for the land before the 90th day before the  
5 effective date of the grant of planning and zoning authority if:

6 (A) one or more licenses, certificates, permits,  
7 approvals, or other forms of authorization by a government entity  
8 were required by law for the planned land use; and

9 (B) a completed application for the initial  
10 authorization was filed with governmental entity before the date of  
11 the granting of the planning and zoning authority.

12 (b) For purposes of this section, a completed application is  
13 filed if the application includes all documents and other  
14 information designated as required by a governmental entity in a  
15 written notice to the applicant.

16 (c) This section does not prohibit the principal  
17 municipality from imposing:

18 (1) a regulation relating to the location of sexually  
19 oriented businesses, as that term is defined by Section 243.002,  
20 Local Government Code;

21 (2) a municipal ordinance, regulation, or other  
22 requirement affecting colonias, as that term is defined by Section  
23 2306.581, Government Code; and

24 (5) a regulation relating to flood control.

25 (d) Notwithstanding any other provision of law to the  
26 contrary, the principal municipality may not impose a requirement  
27 in a zone or a district that prohibits a person in a zone or district

1 from

2 (1) continuing to use land for sand, gravel, or  
3 aggregate mining operations and related packaging activities if:

4 (A) the person was using the land for that  
5 purpose on September 1, 2007; and

6 (B) the use is permitted by this state and the  
7 person has obtained the necessary permits for operations and  
8 related activities; or

9 (2) beginning to use land for sand, gravel or  
10 aggregate mining operations and related packaging activities if:

11 (A) the person had an option to own or lease the  
12 land for those purposes on September 1, 2007;

13 (B) the option has not expired; and

14 (C) the use is permitted by this state and the  
15 person has obtained the necessary permits for operations and  
16 related activities.

17 Sec. 432.107. NO DOUBLE TAXATION. (a) It is the intent of  
18 the legislature that upon partial or full annexation of territory  
19 in a district for full purposes by the principal municipality that a  
20 district's sales tax imposed by this chapter and a district's ad  
21 valorem tax authorized by this chapter shall be discontinued as  
22 provided by this chapter and that residents of a district who become  
23 residents of the principal municipality are not subject to double  
24 taxation.

25 (b) Notwithstanding any other provision of law, in the first  
26 tax year after a partial or full annexation, the principal  
27 municipality may make any adjustment to its ad valorem tax rate that

1 the governing body of the principal municipality determines is  
2 necessary in order for bonds issued under this chapter to be treated  
3 as credit worthy by any municipal bond rating organization that has  
4 issued a rating on the bonds.

5 [Sections 432.108-432.150 reserved for expansion]

6 SUBCHAPTER D. BOARD OF DIRECTORS

7 Sec. 432.151. GOVERNING BODY. (a) A district is governed  
8 by a board of directors.

9 (b) A district's board is responsible for the management,  
10 operation, and control of the district, including district  
11 property.

12 (c) A district's board consists of the presiding officer,  
13 municipal directors, and public directors.

14 (d) The presiding officer of the board is the presiding  
15 officer of the principal municipality's governing body. The  
16 presiding officer is entitled to discuss any matter before the  
17 board but is not entitled to vote unless the presiding officer's  
18 vote is necessary to break a tie vote.

19 (e) The municipal directors consist of six members of the  
20 principal municipality's governing body other than the presiding  
21 officer of the governing body chosen by the governing body.

22 (f) The public directors consist of the following persons:

23 (1) two persons appointed by the principal  
24 municipality's governing body from a list of at least six names  
25 submitted by a nonprofit organization that promotes economic  
26 development and real estate related issues in the county in which  
27 the district is located;

1           (2) two persons appointed by the principal  
2 municipality's governing body from a list of at least six names  
3 submitted by a nonprofit organization that represents home  
4 builders; and

5           (3) two persons who are either residents of or  
6 property owners of property in the district appointed by the  
7 principal municipality's governing body after reviewing letters of  
8 interest submitted by district residents and property owners.

9           Sec. 432.152. TERMS. (a) A public director serves for a  
10 term of two years.

11           (b) The initial public directors are divided into two  
12 groups. A director in the first group serves a one-year term. A  
13 director in the second group serves a two-year term. The two  
14 directors appointed under Section 432.151(f)(3) must be placed in  
15 different groups. The grouping of initial directors and terms for  
16 the directors in each group are determined by the board.

17           (c) A person may be appointed to successive terms as a  
18 director.

19           (d) The presiding officer and a municipal director on a  
20 district board serve for the term to which the person was elected to  
21 the governing body.

22           Sec. 432.153. QUALIFICATIONS. To be qualified as a  
23 director, a person must be at least 18 years old.

24           Sec. 432.154. FILING OF CONSTITUTIONAL OATH OF OFFICE. The  
25 constitutional oath of office for a public director must be in  
26 writing and be filed with the district and retained in its records.

27           Sec. 432.155. REMOVAL. (a) The principal municipality's

1 governing body after notice and hearing may remove a public  
2 director for misconduct or failure to carry out the director's  
3 duties on petition by a majority of the remaining directors.

4 (b) The presiding officer or a member of the principal  
5 municipality's governing body is removed and replaced as presiding  
6 officer or as a municipal director only if the person ceases to be a  
7 member of the governing body or the member's office is vacant as  
8 provided by other law.

9 Sec. 432.156. VACANCY. A vacancy in the office of a public  
10 director shall be filled for the remainder of the unexpired term in  
11 the manner provided for the original appointment.

12 Sec. 432.157. ADDITIONAL OFFICERS. (a) The assistant  
13 presiding officer of the governing body of the principal  
14 municipality presides in the absence of the presiding officer or  
15 when there is a vacancy in that office. When presiding, the  
16 assistant presiding officer retains that person's voting rights as  
17 a municipal director.

18 (b) The board may elect any other officers the board  
19 considers appropriate.

20 Sec. 432.158. CONFLICT OF INTEREST. (a) A municipal  
21 director is not prohibited from voting or deciding any matter  
22 before the board that involves the principal municipality.

23 (b) A public director who will receive a pecuniary benefit  
24 from an action of the board or who has a beneficial interest in a  
25 business entity that will receive a pecuniary benefit from an  
26 action of the board may participate in discussion and vote on that  
27 action if other similar business entities in the district will

1 receive a similar pecuniary benefit.

2 Sec. 432.159. COMPENSATION; EXPENSES. (a) The presiding  
3 officer and municipal directors serve without compensation or  
4 reimbursement for expenses.

5 (b) A public director is entitled to:

6 (1) compensation determined by the board; and

7 (2) be reimbursed for necessary and reasonable  
8 expenses incurred in carrying out the duties and responsibilities  
9 of a director.

10 (c) The total compensation paid to a public director under  
11 Subsection (b)(1) may not exceed \$7,200 in a calendar year.

12 Sec. 432.160. OTHER PUBLIC ENTITIES; EXPENSES. An employee  
13 of another public entity may serve as a district officer if the  
14 person does not receive additional compensation. The person may be  
15 reimbursed for reasonable and necessary expenses incurred in the  
16 performance of district duties.

17 Sec. 432.161. DOCTRINE OF INCOMPATIBILITY INAPPLICABLE;  
18 SERVICE IN ANOTHER PUBLIC OFFICE. (a) The common law doctrine of  
19 incompatibility does not apply to a director.

20 (b) A person serving as a director may serve in another  
21 public office.

22 [Sections 432.162-432.200 reserved for expansion]

23 SUBCHAPTER E. POWERS AND DUTIES

24 Sec. 432.201. GENERAL POWERS AND DUTIES. (a) A district  
25 has the powers and duties that permit it to accomplish any district  
26 purpose or any other purpose authorized for the district by the  
27 constitution, this code, or any other law.



1       (b) A district may do anything necessary, convenient, or  
2 desirable to carry out the powers expressly granted or implied by  
3 this chapter.

4       Sec. 432.202. ROAD FACILITIES. (a) If there is a benefit  
5 to the district, a district may:

6           (1) acquire a road facility, acquire property for a  
7 road facility, and construct or improve a road facility, inside or  
8 outside the district, as necessary to ensure an adequate  
9 transportation infrastructure; and

10          (2) provide financing for a road facility or for the  
11 construction, acquisition, or improvement of a road facility from  
12 money available to the district under this chapter.

13       (b) A district may only exercise the authority granted by  
14 this section for a project outside the district if the acquisition,  
15 construction, improvement, or financing is necessary to connect the  
16 district's road facilities with the transportation network outside  
17 the district.

18       Sec. 432.203. REIMBURSEMENT OF PRIVATE ENTITIES FOR ROADS  
19 OR IMPROVEMENTS; ACQUISITION BY DISTRICT. (a) A district may  
20 reimburse a private entity for money spent to construct a road or  
21 any other improvement the district may make under this chapter that  
22 has been or will be dedicated or otherwise transferred to public  
23 use, or purchase a road or any other improvement the district may  
24 make under this chapter that will be constructed by a private entity  
25 after the date of the creation of the district.

26       (b) The principal municipality may not impose a requirement  
27 for participation in its utility service extension program in a

1 district that exceeds the program requirements for  
2 similarly-situated property that apply outside a district.

3 Sec. 432.204. WATER SUPPLY. A district may supply water for  
4 municipal uses, domestic uses, power, and commercial purposes and  
5 all other beneficial uses or controls.

6 Sec. 432.205. STORM DRAINAGE. A district may gather,  
7 conduct, divert, and control local storm water or other local  
8 harmful excesses of water in a district.

9 Sec. 432.206. IRRIGATION. A district may irrigate the land  
10 in a district.

11 Sec. 432.207. WASTE MANAGEMENT. A district may collect,  
12 transport, process, dispose of, and control all domestic,  
13 industrial, or communal wastes, excluding municipal solid waste or  
14 industrial solid waste, whether in fluid, solid, or composite  
15 state. As used in this section, "municipal solid waste" and  
16 industrial solid waste" have the meanings assigned by Section  
17 361.003, Health and Safety Code.

18 Sec. 432.208. ALTERATION OF LAND ELEVATION. A district may  
19 alter land elevation in a district where it is needed.

20 Sec. 432.209. OTHER DRAINAGE AND FLOOD CONTROL POWERS.

21 (a) A district may adopt:

22 (1) a master drainage plan, including rules relating  
23 to the plan and design criteria for drainage channels, facilities,  
24 and flood control improvements;

25 (2) rules for construction activity to be conducted in  
26 the district that:

27 (A) reasonably relate to providing adequate

1 drainage or flood control; and

2 (B) use generally accepted engineering criteria;  
3 and

4 (3) reasonable procedures to enforce rules adopted by  
5 the district under this subsection.

6 (b) If a district adopts a master drainage plan, the  
7 district may:

8 (1) adopt rules relating to review and approval of  
9 proposed drainage plans submitted by property developers; and

10 (2) by rule, require that a property developer who  
11 proposes to subdivide land located in the district, and who is  
12 otherwise required to obtain approval of the plat of the proposed  
13 subdivision from a municipality or county, submit for district  
14 approval a drainage report for the subdivision.

15 (c) The drainage report must include a map containing a  
16 description of the land to be subdivided. The map must show an  
17 accurate representation of:

18 (1) any existing drainage features, including  
19 drainage channels, streams, flood control improvements, and other  
20 facilities;

21 (2) any additional drainage facilities or connections  
22 to existing drainage facilities proposed by the property  
23 developer's plan for the subdivision; and

24 (3) any other parts of the property developer's plan  
25 for the subdivision that may affect drainage.

26 (d) The district shall review each drainage report  
27 submitted to the district under this section and shall approve a

1 report if it shows compliance with:

2 (1) this section;

3 (2) the district's master drainage plan adopted under  
4 this section; and

5 (3) the rules adopted by the district under this  
6 section.

7 (e) On or before the 30th day after the date a drainage  
8 report is received, the district shall send notice of the  
9 district's approval or disapproval of the drainage report to:

10 (1) the property developer; and

11 (2) each municipal or county authority with  
12 responsibility for approving the plat of the proposed subdivision.

13 (f) If the district disapproves a drainage report, the  
14 district shall include in the notice of disapproval a written  
15 statement:

16 (1) explaining the reasons for the rejection; and

17 (2) recommending changes, if possible, that would make  
18 a revised version of the drainage report acceptable for approval.

19 Sec. 432.210. SUITS. A district may sue and be sued in all  
20 courts, may institute and prosecute suits without giving security  
21 for costs, and may appeal from a judgment without giving a  
22 supersedeas or cost bond.

23 Sec. 432.211. DISTRICT PROPERTY; IMPROVEMENTS. (a) A  
24 district may acquire by grant, purchase, gift, devise, lease, or  
25 otherwise and may hold, use, sell, lease, or dispose of real and  
26 personal property, licenses, patents, rights, and interests  
27 necessary, convenient, or useful for the full exercise of its

1 powers.

2 (b) A district may purchase, construct, acquire, own,  
3 operate, maintain, repair, improve, or extend inside its boundaries  
4 any and all works, improvements, facilities, plants, equipment, and  
5 appliances necessary to accomplish any district purpose authorized  
6 by the constitution, this code, or other law, including all works,  
7 improvements, facilities, plants, equipment, and appliances  
8 incident, helpful, or necessary to accomplish the purposes of this  
9 chapter.

10 (c) A district may acquire property under a conditional sale  
11 contract, lease, equipment trust certificate, or any other form of  
12 contract or trust agreement.

13 (d) A district may sell, lease, convey, or otherwise dispose  
14 of any of its rights, interests, or property that are not needed for  
15 or, in the case of leases, that are not consistent with, the  
16 efficient operation and maintenance of the district's  
17 improvements.

18 Sec. 432.212. SURPLUS PROPERTY. A district may sell,  
19 lease, or otherwise dispose of any surplus property not needed for  
20 its requirements or for the purpose of carrying out its powers under  
21 this chapter.

22 Sec. 432.213. SERVICES. A district may provide services:

23 (1) inside its boundaries; and

24 (2) outside its boundaries if the district receives  
25 payment for the services that fully covers the costs of providing  
26 the services.

27 Sec. 432.214. JOINT AGREEMENTS. (a) A district may enter

1 into an agreement with any person, public or private, for the joint  
2 use of a facility, installation, or other property.

3 (b) A district may act jointly with any other person, public  
4 or private, whether within this state or the United States, to  
5 perform any power or duty under this chapter.

6 Sec. 432.215. OTHER CONTRACTS; GRANTS. A district may  
7 enter a contract, lease, or other agreement with and accept a grant  
8 or loan from the United States, this state, a county, a  
9 municipality, or any other political subdivision, a public or  
10 private corporation, or any other person and may perform all acts  
11 necessary for the full exercise of the powers vested in it on any  
12 terms the board determines advisable.

13 Sec. 432.216. INSURANCE PREMIUMS. A district may procure  
14 and pay premiums to insurers for insurance of any type in amounts  
15 considered necessary or advisable by the board.

16 Sec. 432.217. SERVICE TO AREAS OUTSIDE THE DISTRICT;  
17 DUPLICATION; WATER POWERS. (a) If there is a net benefit to the  
18 district, the district may purchase, construct, acquire, own,  
19 operate, repair, improve, or extend any work, improvement,  
20 facility, plant, equipment, or appliance necessary to provide any  
21 service or facility authorized to be provided by the district to an  
22 area contiguous to or in the vicinity of the district if:

23 (1) the district does not duplicate a service or  
24 facility of another public entity;

25 (2) the facility is necessary to connect a district's  
26 infrastructure to the infrastructure of:

27 (A) the principal municipality; or

1                   (B) another district created under this chapter;  
2 and

3                   (3) the district complies with the provisions of  
4 Section 432.218.

5           (b) A district providing potable water and sewer utility  
6 services to household users may not provide a service or facility to  
7 serve an area outside the district that is also in the corporate  
8 limits of a municipality unless the municipality consents by  
9 resolution or ordinance for the district to serve the area in the  
10 municipality.

11           Sec. 432.218. CERTIFICATE OF CONVENIENCE FOR WATER OR SEWER  
12 SERVICES NOT REQUIRED. (a) A district is not required to hold a  
13 certificate of convenience and necessity as a precondition to  
14 provide retail water or sewer service to any customer or service  
15 area. This section applies whether the customer or service area is  
16 located inside or outside the district, or has previously received  
17 water or sewer service from an entity required by law to hold a  
18 certificate of convenience and necessity as a precondition for the  
19 service.

20           (b) This section does not authorize a district to provide a  
21 service, either wholesale, retail, or whether the customer or  
22 service area is located inside or outside the district:

23                   (1) in an area for which a retail public utility holds  
24 a certificate of convenience and necessity, unless:

25                           (A) the Texas Commission on Environmental  
26 Quality has:

27                                   (i) authorized the district to provide the

1 service or facility; or

2 (ii) revoked the certificate of convenience  
3 and necessity of a retail public utility because the utility never  
4 provided, is no longer providing, or has failed to provide  
5 continuous and adequate service; or

6 (B) the retail public utility and the district  
7 agree; or

8 (2) in another district without that district's  
9 consent, unless the transportation infrastructure services  
10 district has a certificate of convenience and necessity to provide  
11 services to that area.

12 (c) This section does not void certificates of convenience  
13 and necessity granted under other law or impair the rights of a  
14 person holding a certificate of convenience and necessity as  
15 provided by other law.

16 Sec. 432.219. CONTRACT FOR OR LEASE OF PROJECT. A district  
17 may contract, including by a lease, for the use or operation of a  
18 project or part of a project.

19 Sec. 432.220. ECONOMIC DEVELOPMENT POWERS. (a) A district  
20 may exercise the powers of a municipality with a population of  
21 100,000 or more under Chapter 380, Local Government Code.

22 (b) The principal municipality may exercise its powers  
23 under Chapter 380, Local Government Code, in a district.

24 Sec. 432.221. CONVEYANCES. (a) A district may convey a  
25 district facility, including a road, to a governmental entity if  
26 the board determines the conveyance is necessary to further the  
27 purposes of the district.



1       (b) A conveyance of a district facility to a governmental  
2 entity:

3           (1) is ordered by the board;

4           (2) is made free and clear of district indebtedness;

5 and

6           (3) does not affect the district's responsibility to:

7                   (A) pay in full the principal of and interest and  
8 any premium on any outstanding district bonds or other  
9 indebtedness; or

10                   (B) perform any obligation provided by orders or  
11 resolutions authorizing the bonds or other indebtedness.

12       (c) After conveyance, the governmental entity to which the  
13 district facility is conveyed:

14           (1) is the owner of the facility;

15           (2) has jurisdiction and sole control over the  
16 facility;

17           (3) is responsible for all maintenance of the  
18 facility; and

19           (4) may alter, relocate, close, or discontinue  
20 maintenance of the facility as provided by law, including a  
21 municipal charter.

22       Sec. 432.222. HEARINGS. The district may conduct hearings  
23 and take testimony and proof, under oath or affirmation, at  
24 hearings, on any matter necessary to implement a district purpose.

25       Sec. 432.223. EMPLOYEES. (a) A district may employ and  
26 compensate persons for district purposes.

27       (b) An employee of another public entity may serve as a

1 district employee if the employee does not receive any additional  
2 compensation for service as a district employee. The employee may  
3 be reimbursed for any reasonable or necessary expense incurred in  
4 the performance of a district duty.

5 Sec. 432.224. NO EMINENT DOMAIN POWER. A district may not  
6 exercise the power of eminent domain.

7 [Sections 432.224-432.250 reserved for expansion]

8 SUBCHAPTER F. GENERAL FINANCIAL PROVISIONS

9 Sec. 432.251. GENERAL FINANCIAL POWERS. A district may  
10 incur liabilities, borrow money on terms the board determines, or  
11 issue bonds.

12 Sec. 432.252. USE OF DISTRICT REVENUE; PRINCIPAL  
13 MUNICIPALITY. District revenue is separate from the principal  
14 municipality's revenue. A district may use revenue only for the  
15 benefit of the district as provided by this chapter.

16 Sec. 432.253. SALES AND USE TAX. (a) On creation of a  
17 district, there is imposed in the district a sales and use tax.

18 (b) The tax is imposed on the receipts from the sale at  
19 retail of taxable items in the district at the rate equal to the  
20 sales and use tax imposed by the principal municipality. Except as  
21 provided by Subsection (d), the tax rate changes to remain equal to  
22 the principal municipality's rate.

23 (c) Except as provided by this section, Chapter 321, Tax  
24 Code, governs the imposition, computation, administration,  
25 governance, and abolition of a tax imposed under this section.

26 (d) If any territory in the district is annexed by the  
27 principal municipality, both the municipality's and the district's

1 sales and use tax applies in the annexed area; provided, however,  
2 that if the district's sales and use tax rate combined with any  
3 other sales and use tax applicable in the annexed area exceeds two  
4 percent, the district's sales and use tax is abolished.

5 Sec. 432.254. AUTHORITY TO IMPOSE AD VALOREM TAX; RATE.

6 (a) A district may impose an ad valorem tax at a rate not to exceed  
7 the adopted ad valorem tax imposed by the principal municipality.

8 (b) Before setting or changing a tax rate, the district  
9 shall publish notice and hold a hearing on the tax rate in the same  
10 manner as provided by Section 432.052.

11 (c) After setting the initial tax rate, a district is  
12 governed by Section 49.107(g), Water Code, and the Tax Code in the  
13 same manner as a home-rule municipality that imposes an ad valorem  
14 tax. In the event of a conflict between the provisions of the Water  
15 Code and the Tax Code, the Water Code prevails.

16 (d) The initial tax rate does not take effect until the tax  
17 year beginning on a date after the approval of either a bond program  
18 or a capital improvement program at an election held under Section  
19 432.260(e).

20 (e) An ad valorem tax imposed under this chapter is subject  
21 to any existing exemption claimed by a property owner under law,  
22 including Section 1-d or 1-d-1, Article VIII, Texas Constitution.

23 Sec. 432.255. GENERAL OBLIGATION AND REVENUE BONDS.

24 (a) For the payment of all or part of the costs of an improvement  
25 project or service, the board may issue bonds payable from and  
26 secured by ad valorem taxes, sales and use taxes, revenue, grants,  
27 gifts, contracts, leases, or any combination of those sources.

1       (b) Bonds may be secured by liens on all or part of the  
2 revenue from improvements authorized under this chapter, including  
3 installment payments from any source pledged to their payment.

4       Sec. 432.256. BOND MATURITY. Bonds may mature not more than  
5 40 years from their date of issue. Provision may be made for the  
6 subsequent issuance of additional parity bonds or subordinate lien  
7 bonds under terms that may be stated in the order or resolution  
8 authorizing the issuance of the bonds.

9       Sec. 432.257. BOND PROCEEDS. (a) In addition to the  
10 purposes authorized under Section 432.255, if provided by the bond  
11 order or resolution, the proceeds from the sale of bonds may be  
12 used:

13           (1) to pay:

14                   (A) interest on the bonds during and after the  
15 acquisition or construction of any improvement project to be  
16 provided through the issuance of the bonds; and

17                   (B) administrative and operation expenses to  
18 create a reserve fund for the payment of the principal of and  
19 interest on the bonds; and

20           (2) to create any other funds.

21       (b) The bond proceeds may be placed on time deposit or  
22 invested, until needed, in securities in the manner provided by the  
23 bond order or resolution.

24       Sec. 432.258. PLEDGES; REFUNDING BONDS; APPROVAL BY  
25 ATTORNEY GENERAL; REGISTRATION. (a) The board may pledge all or  
26 part of the income from improvement projects financed under this  
27 chapter or from any other source to the payment of the bonds,

1 including the payment of principal, interest, and any other amounts  
2 required or permitted in connection with the bonds.

3 (b) The pledged income must be set and collected in amounts  
4 that will be at least sufficient, with any other pledged resources:

5 (1) to provide for all payments of principal,  
6 interest, and any other amounts required in connection with the  
7 bonds;

8 (2) to the extent required by the order or resolution  
9 authorizing the issuance of the bonds, to provide for the payment of  
10 expenses in connection with the bonds; and

11 (3) to pay operation, maintenance, and other expenses  
12 in connection with the improvement projects authorized under this  
13 chapter.

14 (c) Bonds may be additionally secured by a mortgage or deed  
15 of trust on real property relating to the facilities authorized  
16 under this chapter owned or to be acquired by the district and by  
17 chattel mortgages, liens, or security interests on personal  
18 property appurtenant to that real property. The board may  
19 authorize the execution of trust indentures, mortgages, deeds of  
20 trust, or other forms of encumbrance to evidence the indebtedness.

21 (d) The board may pledge to the payment of the bonds all or  
22 any part of any grant, donation, revenue, or income received or to  
23 be received from the United States or any other public or private  
24 source.

25 (e) Bonds issued under this chapter may be refunded or  
26 otherwise refinanced by the issuance of refunding bonds under terms  
27 or conditions determined by order or resolution of the board.

1 Refunding bonds may be issued in amounts necessary to pay the  
2 principal of, and interest and redemption premium, if any, on,  
3 bonds to be refunded, at a maturity or on an redemption date, and to  
4 provide for the payment of costs incurred in connection with the  
5 refunding.

6 (f) The refunding bonds shall be issued in the manner  
7 provided by this chapter for other bonds.

8 (g) The district shall submit bonds and the appropriate  
9 proceedings authorizing their issuance to the attorney general for  
10 examination.

11 (h) If the bonds recite that they are secured by a pledge of  
12 fees, revenues, or rentals from a contract or lease, the district  
13 also shall submit to the attorney general a copy of the fee  
14 procedures, contract, or lease and the proceedings relating to it.

15 (j) If the attorney general finds that the bonds have been  
16 authorized and any contract, or lease has been made in accordance  
17 with law, the attorney general shall approve the bonds and the fee,  
18 contract, or lease, and the bonds shall be registered by the  
19 comptroller.

20 (k) After approval and registration, the bonds and any fee,  
21 contract, or lease relating to them are incontestable in any court  
22 or other forum for any reason and are valid and binding obligations  
23 for all purposes in accordance with their terms.

24 Sec. 432.259. APPLICATION OF WATER DISTRICT LAW TO DISTRICT  
25 BONDS. (a) Chapter 49, Water Code, applies to district bonds,  
26 except for sections relating to:

27 (1) oversight, review, or approval, by the Texas

1 Commission on Environmental Quality or the commission's executive  
2 director, of a district's creation, operation, or dissolution; or

3 (2) any similar action by the commission or the  
4 commission's executive director.

5 (b) In case of a conflict between this chapter and Chapter  
6 49, Water Code, this chapter controls.

7 Sec. 432.260. BOND AND CAPITAL IMPROVEMENT PROGRAMS.

8 (a) Not later than the third anniversary of the creation date of a  
9 district, the board shall approve a bond program or a capital  
10 improvement program.

11 (b) Revenue from a bond program or capital improvement  
12 program under this section may be used for any district purpose.

13 (c) The board shall appoint a bond committee to consider and  
14 propose a bond program. The bond committee is composed of persons  
15 appointed by the board and the public directors. At least  
16 three-fourths of the committee members other than the public  
17 directors must be owners of real property in the district.

18 (d) The bond program or capital improvement program must be  
19 based on a proposal submitted to the board by the bond committee.

20 (e) Not later than one year after the adoption by the board  
21 of the bond or capital improvement program, the board shall hold an  
22 election in the district on a single question consisting of two  
23 separate propositions on:

24 (1) the implementation of the bond or capital  
25 improvement program; and

26 (2) the application of the principal municipality's  
27 planning and zoning ordinances under Section 432.102(c).

1       (f) The question under Subsection (e) is approved only if a  
2 majority of the district voters voting at the election approve each  
3 proposition.

4       (g) If the question under Subsection (e) is approved by a  
5 majority of the district voters voting at the election:

6           (1) the board shall begin to implement the bond or  
7 capital improvement program not later than the first anniversary of  
8 the election date at which the program was approved; and

9           (2) the principal municipality may apply its planning  
10 and zoning ordinances in the district under Section 432.102(c).

11       (h) Except as provided by Section 432.354, the failure of a  
12 proposition at an election under this section does not affect the  
13 district's operation or powers and does not act as a dissolution of  
14 the district. The board may call subsequent elections under this  
15 section to approve a question, including the question under  
16 Subsection (e).

17       (i) A district's authorization to issue bonds resulting  
18 from an election held under this section, or any other law that  
19 allows for district voters to authorize the issuance of bonds by a  
20 district, remains in effect after the election unless the district  
21 is dissolved as provided by this chapter.

22       (j) Before a district may call an election on the question  
23 under Subsection (e), the district must receive a petition  
24 requesting the election signed by bond petitioners holding at least  
25 50 percent of the assessed value of the property held by bond  
26 petitioners in a district.

27       (k) Before a district may call an election under Subsection



1 (e), the principal municipality shall indicate to what extent, if  
2 any, it will provide financial assistance to the district, whether  
3 through construction of facilities, grant of funds or a guarantee  
4 of revenues to secure the district's bonds. If the principal  
5 municipality is making a financial commitment, it shall enter into  
6 an interlocal agreement with the district specifying such  
7 commitment. The interlocal agreement must be approved by a  
8 two-thirds vote of the board.

9 (1) Not earlier than the 60th day or later than the 30th day  
10 before the date an election is held under this section, the district  
11 shall mail to each district voter a notice of election. The notice  
12 must state the date of the election, the times that the polling  
13 places for the election are open, and the location of those polling  
14 places. Failure of a person entitled to notice under this  
15 subsection to receive the notice does not invalidate an election.

16 (m) After the voters approve the question submitted under  
17 Subsection (e), a board may approve a subsequent bond program or  
18 capital improvement program based on the recommendations of the  
19 bond committee and submit that program to the district voters. At  
20 an election held under this subsection, the district is not  
21 required to resubmit the proposition under Subsection (e)(2). A  
22 program submitted to the district voters under this subsection is  
23 approved by a majority of the district voters voting at the  
24 election.

25 Sec. 432.261. CREDIT AGREEMENTS. A district may enter into  
26 a credit agreement under Chapter 1371, Government Code.

27 Sec. 432.262. RATES AND FEES. (a) Except as provided by

1 Subsection (b), a district may establish and maintain reasonable  
2 and nondiscriminatory rates, fares, charges, rents, or other fees  
3 or compensation for the use of the improvements constructed,  
4 operated, or maintained by the district.

5 (b) A district may not impose a toll on a road constructed  
6 wholly or partly with district money.

7 (c) The principal municipality's water and wastewater  
8 charges for classes of customers in a district must be identical to  
9 the charges for the same classes of customers.

10 Sec. 432.263. NO MUNICIPAL OBLIGATION. Except as provided  
11 by Section 432.353, the principal municipality is not obligated to  
12 pay any district bonds.

13 Sec. 432.264. BONDS EXEMPT FROM TAXATION. Bonds issued  
14 under this chapter, the transfer of the bonds, and income from the  
15 bonds, including profits made on the sale of the bonds, are exempt  
16 from taxation in this state.

17 Sec. 432.265. APPLICATION OF OTHER LAW ON PRIVATE PROPERTY  
18 RIGHTS. In addition to other exemptions available to a district  
19 under Chapter 2007, Government Code, that chapter does not apply to  
20 a tax imposed by a district.

21 [Sections 432.266-432.300 reserved for expansion]

22 SUBCHAPTER G. ASSESSMENTS

23 Sec. 432.301. GENERAL POWERS RELATING TO ASSESSMENTS. A  
24 district may undertake improvement projects and services that  
25 confer a special benefit on all or a definable part of the district.  
26 The district may impose assessments on property in that area, based  
27 on the benefit conferred by the improvement project or service, to

1 pay all or part of the cost of the project or service. If the board  
2 determines that there is a net benefit to the district, the district  
3 may provide an improvement or service to an area outside the  
4 district.

5 Sec. 432.302. SPECIFIC POWERS RELATING TO ASSESSMENTS.

6 (a) An improvement project or service provided by a district may  
7 include the construction, acquisition, improvement, relocation,  
8 operation, maintenance, or provision of:

9 (1) lighting and signs; streets and sidewalks;  
10 pedestrian skywalks, crosswalks, and tunnels; drainage and  
11 navigation improvements; pedestrian malls; solid waste, water,  
12 sewer, and power facilities, including electrical, gas, steam,  
13 cogeneration, and chilled water facilities; parks, plazas, and the  
14 cost of any demolition in connection with providing any of the  
15 improvement projects;

16 (2) other improvements similar to those described in  
17 Subdivision (1);

18 (3) the acquisition of real property or any interest  
19 in real property in connection with an improvement project or  
20 service authorized by this chapter;

21 (4) special supplemental services for health and  
22 sanitation, public safety, maintenance, security, and elimination  
23 or relief of traffic congestion; and

24 (5) expenses incurred in the establishment,  
25 administration, maintenance, and operation of the district or any  
26 of its improvements, projects, or services.

27 (b) An improvement project on two or more streets or two or

1 more types of improvements may be included in one proceeding and  
2 financed as one improvement project.

3 Sec. 432.303. PROPOSED ASSESSMENTS. A service or  
4 improvement project may be financed under this chapter after a  
5 petition and hearing notice given as required by this subchapter  
6 and a public hearing by the board on the advisability of the  
7 improvement or service and the proposed assessments.

8 Sec. 432.304. PETITION REQUIRED. A district may not  
9 finance a service or improvement project under this chapter unless  
10 a written petition has been filed with the board requesting the  
11 improvement or service signed by the owners of 100 percent of the  
12 assessed value of the property to be assessed as determined from the  
13 most recent certified county property tax rolls.

14 Sec. 432.305. NOTICE OF HEARING. (a) A district shall  
15 provide notice of a hearing in a newspaper with general circulation  
16 in the county in which the district is located. The final  
17 publication must be made not later than the 30th day before the date  
18 of the hearing.

19 (b) The notice must include:

20 (1) the time and place of the hearing;

21 (2) the general nature of the proposed improvement  
22 project or service;

23 (3) the estimated cost of the improvement, including  
24 interest during construction and associated financing costs; and

25 (4) the proposed method of assessment.

26 (c) The district shall mail written notice containing the  
27 information required by Subsection (b) by certified mail, return

1 receipt requested, not later than the 30th day before the date of  
2 the hearing. The notice must be mailed to each property owner in  
3 the district who will be subject to assessment at the current  
4 address of the property to be assessed as reflected on the tax  
5 rolls.

6 Sec. 432.306. CONCLUSION OF HEARING; FINDINGS. (a) A  
7 hearing on the service or improvement project, whether conducted by  
8 the board or a hearings examiner, may be adjourned from time to  
9 time.

10 (b) At the conclusion of the hearing, the board shall make  
11 findings by resolution or order relating to the advisability of the  
12 improvement project or service, the nature of the improvement  
13 project or service, the estimated cost, the area benefited, the  
14 method of assessment, and the method and time for payment of the  
15 assessment.

16 (c) If a hearings examiner is appointed to conduct the  
17 hearing, after conclusion of the hearing, the hearings examiner  
18 shall file with the board a report stating the examiner's findings  
19 and conclusions.

20 Sec. 432.307. AREA TO BE ASSESSED. (a) The area of a  
21 district to be assessed according to the board's findings may be the  
22 entire district or any part of the district and may be less than the  
23 area proposed in the notice of the hearing.

24 (b) Except as provided by Subsection (c), the area to be  
25 assessed may not include property that is not in the district at the  
26 time of the hearing unless there is an additional hearing, preceded  
27 by the required notice.

1       (c) The owner of an improvement constructed after the  
2 district has imposed assessments may waive the right to notice and  
3 an assessment hearing and may agree to the imposition and payment of  
4 assessments at an agreed rate for improvements constructed in a the  
5 district.

6       Sec. 432.308. OBJECTIONS; IMPOSITION OF ASSESSMENT.

7       (a) At a hearing on proposed assessments, at any adjournment of  
8 the hearing, or after consideration of the hearings examiner's  
9 report, the board shall hear and rule on all objections to each  
10 proposed assessment.

11       (b) The board may amend proposed assessments for any parcel.

12       (c) After all objections have been heard and action has been  
13 taken with regard to those objections, the board, by order or  
14 resolution, shall impose the assessments on the property and shall  
15 specify the method of payment of the assessments and may provide  
16 that those assessments be paid in periodic installments, including  
17 interest.

18       (d) Periodic installments must be in amounts sufficient to  
19 meet annual costs for services and improvements as provided by  
20 Section 432.309 and continue for the number of years required to  
21 retire indebtedness or pay for the services to be rendered. The  
22 board may provide interest charges or penalties for failure to make  
23 timely payment and also may impose an amount to cover delinquencies  
24 and expenses of collection.

25       (e) The board shall establish a procedure for the  
26 distribution or use of any assessments in excess of those necessary  
27 to finance the service or improvement project for which those

1 assessments were collected.

2 Sec. 432.309. APPORTIONMENT OF COST. The board shall  
3 apportion the cost of an improvement project or service to be  
4 assessed against the property in the district based on the special  
5 benefits accruing to the property because of the improvement  
6 project or service. The cost may be assessed:

7 (1) equally by front foot or by square foot of land  
8 area against all property in the district;

9 (2) against property according to the value of the  
10 property as determined by the board, with or without regard to  
11 structures or other improvements on the property; or

12 (3) on any other reasonable assessment plan that  
13 results in imposing fair and equitable shares of the cost on  
14 property similarly benefited.

15 Sec. 432.310. ASSESSMENT ROLL. If the total cost of an  
16 improvement project or service is determined, the board shall  
17 impose the assessments against each parcel of land against which an  
18 assessment may be imposed in the district. With regard to an  
19 assessment for a service, the board may impose an annual assessment  
20 that is lower but not higher than the initial assessment. The board  
21 shall have an assessment roll prepared showing the assessments  
22 against each property and the board's basis for the assessment. The  
23 assessment roll shall be filed with the board secretary or other  
24 officer who performs the function of secretary and be open for  
25 public inspection.

26 Sec. 432.311. INTEREST ON ASSESSMENTS; LIEN.

27 (a) Assessments bear interest at a rate specified by the board.

1 The interest rate may not exceed the rate permitted by Chapter 1204,  
2 Government Code.

3 (b) Interest on an assessment between the effective date of  
4 the order or resolution imposing the assessment and the date the  
5 first installment and any related penalty is payable is added to the  
6 first installment. The interest or penalties on all unpaid  
7 installments are added to each subsequent installment until paid.

8 (c) An assessment or any reassessment and any interest and  
9 penalties on that assessment or reassessment is a lien against the  
10 property until it is paid.

11 (d) The owner of any property assessed may pay at any time  
12 the entire assessment against any lot or parcel with accrued  
13 interest to the date of the payment.

14 Sec. 432.312. SUPPLEMENTAL ASSESSMENTS. After notice and  
15 hearing in the manner required for an original assessment, the  
16 board may make supplemental assessments to correct omissions or  
17 mistakes in the assessment:

18 (1) relating to the total cost of the improvement  
19 project or service; or

20 (2) covering delinquencies or costs of collection.

21 Sec. 432.313. APPEAL. (a) After determination of an  
22 assessment, a property owner may appeal the assessment to the  
23 board. The property owner must file a notice of appeal with the  
24 board not later than the 30th day after the date the assessment is  
25 adopted. The board shall set a date to hear the appeal.

26 (b) The property owner may appeal the board's decision on  
27 the assessment to a court. The property owner must file notice of



1 the appeal with the court not later than the 30th day after the date  
2 of the board's final decision with respect to the assessment.

3 (c) Failure to file either of the notices in the time  
4 required by this section results in a loss of the right to appeal  
5 the assessment.

6 (d) If an assessment against a parcel of land is set aside by  
7 a court, found excessive by the board, or determined to be invalid  
8 by the board, the board may make a reassessment or new assessment of  
9 the parcel.

10 Sec. 432.314. APPEAL OF ORDER. A person against whom an  
11 assessment is made by board order may appeal the assessment to a  
12 district court in the county in which the district is located in the  
13 manner provided for the appeal of a contested case under Chapter  
14 2001, Government Code. Review by the district court is by trial de  
15 novo.

16 Sec. 432.315. GOVERNMENTAL ENTITIES; ASSESSMENTS. Payment  
17 of assessments by municipalities, counties, other political  
18 subdivisions, and organizations exempt from federal income tax  
19 under Section 501(c)(3), Internal Revenue Code of 1986, is  
20 established by contract. Municipalities, counties, and other  
21 political subdivisions may contract with the district under terms  
22 those entities consider advisable to provide for the payment of  
23 assessments.

24 Sec. 432.316. UTILITIES; ASSESSMENTS. Payment of  
25 assessments shall be established by contract on the property,  
26 including the equipment, rights-of-way, facilities, or  
27 improvements, of:

1           (1) an electric utility or a power generation company,  
2 as those terms are defined under Section 31.002, Utilities Code;

3           (2) a gas utility, as that term is defined under  
4 Sections 101.003 and 121.001, Utilities Code;

5           (3) a telecommunications provider, as that term is  
6 defined by Section 51.002, Utilities Code; and

7           (4) a person who provides to the public advanced  
8 telecommunication services.

9           [Sections 432.317-432.350 reserved for expansion]

10                           SUBCHAPTER H. DISSOLUTION

11           Sec. 432.351. DISSOLUTION BY PRINCIPAL MUNICIPALITY.

12           (a) After a hearing, the governing body of the principal  
13 municipality may by ordinance dissolve the district.

14           (b) Before dissolution under this section, the principal  
15 municipality shall publish notice and hold a hearing on the  
16 proposed dissolution in the manner provided by Section 432.052.

17           Sec. 432.352. DISSOLUTION BY ANNEXATION. On the effective  
18 date of any full-purpose annexation proceeding by the principal  
19 municipality that results in all territory in the district being  
20 annexed for full purposes, the district is automatically dissolved  
21 without further action by the principal municipality's governing  
22 body.

23           Sec. 432.353. ASSUMPTION OF ASSETS, DEBTS. (a) On  
24 dissolution, the principal municipality assumes the assets, debts,  
25 and other obligations of the district.

26           (b) On dissolution, the principal municipality may use any  
27 source of revenue available to the district under Section 432.255

1 to pay any district debt or obligation assumed by the principal  
2 municipality.

3 (c) Upon dissolution of the district by the principal  
4 municipality under this section, the application of the principal  
5 municipality's planning and zoning ordinances, as authorized by an  
6 election under Section 432.260(e), is repealed, and the application  
7 of the principal municipality's planning and zoning ordinances is  
8 governed by other law.

9 Sec. 432.354. OTHER METHOD OF DISSOLUTION. If the question  
10 submitted under Section 432.260(e) is not approved at an initial or  
11 subsequent election held by the sixth anniversary of the date of a  
12 district's creation, that district is automatically dissolved  
13 without further action by the principal municipality's governing  
14 body.

15 [Sections 432.354-432.400 reserved for expansion]

16 SUBCHAPTER I. NOTICES

17 Sec. 432.401. NOTICE TO PURCHASERS. (a)(1) Any person who  
18 proposes to sell or convey real property located in a district  
19 created under this chapter that is providing or proposing to  
20 provide, as the district's principal function, road, water,  
21 sanitary sewer, drainage, and flood control or protection  
22 facilities or services, or any of these facilities or services that  
23 have been financed or are proposed to be financed with bonds of the  
24 district payable in whole or part from taxes of the district to  
25 household or commercial users, other than agricultural,  
26 irrigation, or industrial users, must first give to the purchaser  
27 the written notice provided in this section.

1           (2) This section does not apply to:

2                   (A) transfers of title under any type of lien  
3 foreclosure;

4                   (B) transfers of title by deed in cancellation of  
5 indebtedness secured by a lien upon the property conveyed;

6                   (C) transfers of title by reason of a will or  
7 probate proceedings; or

8                   (D) transfers of title to a governmental entity.

9           (b) The notice required under Subsection (a) shall be  
10 substantially in the following form:

11           "The real property, described below, that you are about to  
12 purchase is located in the [Name] Transportation Infrastructure  
13 Services District. The district has taxing authority separate from  
14 any other taxing authority and may, subject to voter approval,  
15 issue bonds and levy a tax rate in payment of those bonds. The tax  
16 rate levied by the district may not exceed the ad valorem (property  
17 tax) rate levied by the City of [Name of principal municipality].  
18 As of January 1, [year], the district's tax rate on real property in  
19 the district is \$ [amount] on each \$100 of assessed valuation. If  
20 the district has not yet levied taxes, the most recent projected  
21 rate of tax, as of this date, is \$[amount] on each \$100 of assessed  
22 valuation. The total amount of bonds, excluding refunding bonds  
23 and any bonds or any portion of bonds issued that are payable solely  
24 from revenues received or expected to be received under a contract  
25 with a governmental entity, approved by the voters and which have  
26 been or may, at this date, be issued is \$[amount], and the aggregate  
27 initial principal amounts of all bonds issued for one or more of the

1 specified facilities of the district and payable in whole or in part  
2 from property taxes is \$[amount].

3 "The district is located in whole or in part in the  
4 extraterritorial jurisdiction of the City of [name of principal  
5 municipality]. By law, a district located in the extraterritorial  
6 jurisdiction of a municipality may be annexed without the consent  
7 of the district or the voters of the district. When all territory  
8 in a district is fully annexed by the municipality, the district is  
9 dissolved.

10 "The purpose of this district is to provide road, water, sewer,  
11 drainage, or flood control facilities and services within the  
12 district through the issuance of bonds payable in whole or in part  
13 from property taxes. The cost of these utility facilities is not  
14 included in the purchase price of your property, and these utility  
15 facilities are owned or to be owned by the district. The legal  
16 description of the property you are acquiring is as follows: [legal  
17 description of property being acquired]

18 \_\_\_\_\_  
19 Signature of Seller Date

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 purchaser acknowledges receipt of the foregoing notice

1 at or prior to execution of a binding contract for the purchase of  
2 the real property described in such notice or at closing of purchase  
3 of the real property.

4 \_\_\_\_\_  
5 Signature of Purchaser                      Date

6 (c) If the law relating to annexation or district  
7 dissolution is amended and causes inaccuracies in the content of  
8 the notices prescribed by this section, a district shall revise the  
9 content of the notices to accurately reflect current law.

10 (d) The notice required by this section shall be given to  
11 the prospective purchaser prior to execution of a binding contract  
12 of sale and purchase either separately or as an addendum or  
13 paragraph of a purchase contract. In the event a contract of  
14 purchase and sale is entered into without the seller providing the  
15 notice required by this subsection, the purchaser shall be entitled  
16 to terminate the contract. If, however, the seller furnishes the  
17 required notice at or prior to closing the purchase and sale  
18 contract and the purchaser elects to close even though such notice  
19 was not timely furnished prior to execution of the contract, it  
20 shall be conclusively presumed that the purchaser has waived all  
21 rights to terminate the contract and recover damages or other  
22 remedies or rights under the provisions of this section.  
23 Notwithstanding any provision of this subchapter to the contrary,  
24 all sellers, title companies, real estate brokers, and examining  
25 attorneys, and any agent, representative, or person acting on their  
26 behalf, shall not be liable for damages under the provisions of  
27 either Subsection (m) or (n) or liable for any other damages to any

1 person for:

2 (1) failing to provide the notice required by this  
3 section to a purchaser prior to execution of a binding contract of a  
4 purchase and sale or at or prior to the closing of the purchase and  
5 sale contract when the district has not filed the information form  
6 and map or plat as required under this subchapter; or

7 (2) unintentionally providing a notice prescribed by  
8 this section that is not the correct notice under the circumstances  
9 prior to execution of a binding contract of purchase and sale or at  
10 or prior to the closing of the purchase and sale contract.

11 (e) The purchaser shall sign the notice or purchase contract  
12 including such notice to evidence the receipt of notice.

13 (f) At the closing of purchase and sale, a separate copy of  
14 such notice with current information shall be executed by the  
15 seller and purchaser, acknowledged, and thereafter recorded in the  
16 deed records of the county in which the property is located. For  
17 the purposes of this section, all sellers, title companies, real  
18 estate brokers, and examining attorneys, and any agent,  
19 representative, or person acting on their behalf, shall be entitled  
20 to rely on the accuracy of the information form and map or plat as  
21 last filed by each district under this subchapter or the  
22 information contained in or shown on the notice form issued by the  
23 district under this subchapter in completing the notice form to be  
24 executed by the seller and purchaser at the closing of purchase and  
25 sale. Any information taken from the information form or map or  
26 plat as last filed by each district and the information contained in  
27 or shown on the notice form issued by the district under this

1 subchapter shall be, for purposes of this section, conclusively  
2 presumed as a matter of law to be correct. All subsequent sellers,  
3 purchasers, title insurance companies, real estate brokers,  
4 examining attorneys, and lienholders shall be entitled to rely upon  
5 the information form and map or plat filed by the district or the  
6 notice form issued by the district under this subchapter.

7 (g) For the purposes of this section, an executory contract  
8 of purchase and sale having a performance period of more than six  
9 months shall be considered a sale.

10 (h) All sellers, and all persons completing the prescribed  
11 notice in the sellers' behalf, shall be entitled to rely on the  
12 information contained in or shown on the information form and map or  
13 plat filed of record by the district under this subchapter in  
14 completing the prescribed form to be given to the prospective  
15 purchaser prior to execution of a binding contract of sale and  
16 purchase. Except as otherwise provided in Subsection (f), any  
17 information taken from the information form or map or plat filed of  
18 record by the district in effect as of January 1 of each year shall  
19 be, for purposes of the notice to be given to the prospective  
20 purchaser prior to execution of a binding contract of sale and  
21 purchase, conclusively presumed as a matter of law to be correct for  
22 the period January 1 through December 31 of such calendar year. A  
23 seller and any persons completing the prescribed notice in the  
24 seller's behalf may provide more recent information, if available,  
25 than the information contained in or shown on the information form  
26 and map or plat filed of record by the district under this  
27 subchapter in effect as of January 1 of each year in completing the



1 prescribed form to be given to the purchaser prior to execution of a  
2 binding contract of sale and purchase. Nothing contained in the  
3 preceding sentence shall be construed to create an affirmative duty  
4 on the part of a seller or any persons completing the prescribed  
5 notice in the seller's behalf to provide more recent information  
6 than the information taken from the information form and map or plat  
7 filed of record by the district as of January 1 of each year in  
8 completing the prescribed notice to be given to the purchaser prior  
9 to execution of a binding contract of sale and purchase. All  
10 subsequent sellers, purchasers, title insurance companies, real  
11 estate brokers, examining attorneys, and lienholders shall be  
12 entitled to rely upon the information form and map or plat filed by  
13 the district.

14 (i) If such notice is given at closing as provided in  
15 Subsection (f), a purchaser, or the purchaser's heirs, successors,  
16 or assigns, shall not be entitled to maintain any action for damages  
17 or maintain any action against a seller, title insurance company,  
18 real estate brokers, or lienholder, or any agent, representative,  
19 or person acting in their behalf, by reason of use by the seller of  
20 the information filed for record by the district or reliance by the  
21 seller on the filed plat and filed legal description of the district  
22 in determining whether the property to be sold and purchased is  
23 within the district. No action may be maintained against any title  
24 company for failure to disclose the inclusion of the described real  
25 property within a district when the district has not filed for  
26 record the information form, map, or plat with the clerk of the  
27 county or counties in which the district is located.

1       (j) Any purchaser who purchases any real property in a  
2 district and who thereafter sells or conveys the same shall on  
3 closing of such subsequent sale be conclusively considered as  
4 having waived any prior right to damages under this section.

5       (k) It is the express intent of this section that all  
6 sellers, title insurance companies, examining attorneys, vendors  
7 of property and tax information, real estate brokers, and  
8 lienholders, and any agent, representative, or person acting on  
9 their behalf, shall be entitled to rely on the accuracy of the  
10 information form and map or plat as last filed by each district or  
11 the information contained in or shown on the notice form issued by  
12 the district under this subchapter, or for the purposes of the  
13 notice to be given the purchaser prior to execution of a binding  
14 contract of sale and purchase the information contained in or shown  
15 on the information form and map or plat filed of record by the  
16 district in effect as of January 1 of each year for the period  
17 January 1 through December 31 of such calendar year.

18       (l) Except as otherwise provided in Subsection (f), if any  
19 sale or conveyance of real property within a district is not made in  
20 compliance with the provisions of this section, the purchaser may  
21 institute a suit for damages under the provisions of either  
22 Subsection (m) or (n).

23       (m) A purchaser of real property covered by the provisions  
24 of this section, if the sale or conveyance of the property is not  
25 made in compliance with this section, may institute a suit for  
26 damages in the amount of all costs relative to the purchase of the  
27 property plus interest and reasonable attorney's fees. The suit

1 for damages may be instituted jointly or severally against the  
2 person, firm, corporation, partnership, organization, business  
3 trust, estate, trust, association, or other legal entity that sold  
4 or conveyed the property to the purchaser. Following the recovery  
5 of damages under this subsection, the amount of the damages shall  
6 first be paid to satisfy all unpaid obligations on each outstanding  
7 lien or liens on the property and the remainder of the damage amount  
8 shall be paid to the purchaser. On payment of all damages  
9 respectively to the lienholders and purchaser, the purchaser shall  
10 reconvey the property to the seller.

11 (n) A purchaser of real property covered by the provisions  
12 of this section, if the sale or conveyance of the property is not  
13 made in compliance with this section, may institute a suit for  
14 damages in an amount not to exceed \$5,000, plus reasonable  
15 attorney's fees.

16 (o) A purchaser is not entitled to recover damages under  
17 both Subsections (m) and (n), and entry of a final decision awarding  
18 damages to the purchaser under either Subsection (m) or (n) shall  
19 preclude the purchaser from recovering damages under the other  
20 subsection. Notwithstanding any part or provision of the general  
21 or special laws or the common law of the state to the contrary, the  
22 relief provided under Subsections (m) and (n) shall be the  
23 exclusive remedies for a purchaser aggrieved by the seller's  
24 failure to comply with the provisions of this section. Any action  
25 for damages shall not, however, apply to, affect, alter, or impair  
26 the validity of any existing vendor's lien, mechanic's lien, or deed  
27 of trust lien on the property.

1       (r) A suit for damages under the provisions of this section  
2 must be brought within 90 days after the purchaser receives the  
3 first district tax notice or within four years after the property is  
4 sold or conveyed to the purchaser, whichever time occurs first, or  
5 the purchaser loses the right to seek damages under this section.

6       (s) Notwithstanding any provisions of this subchapter to  
7 the contrary, a purchaser may not recover damages of any kind under  
8 this section if that person:

9           (1) purchases an equity in real property and in  
10 conjunction with the purchase assumes any liens, whether purchase  
11 money or otherwise; and

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

14       Sec. 432.402. NOTICE FORM FROM DISTRICT. (a) A district  
15 shall maintain in the district's office the statutory form of  
16 Notice to Purchasers required by this section for that district.

17           (b) Upon written request of any person, a district shall  
18 issue the notice form completed by a district with all information  
19 required to be furnished by the district. A notice form issued by a  
20 district under the provisions of this section shall include a  
21 written statement that the notice form is being issued by the  
22 district, the date of its issuance, and the district's telephone  
23 number. A district is not be required to orally provide the  
24 information.

25           (c) A district may charge a reasonable fee as determined by  
26 the district not to exceed \$10 for the issuance of a notice form  
27 under this section. The notice form shall be delivered by regular

1 mail or made available at the district's office. If a district is  
2 requested to deliver the notice form to a person by an alternative  
3 method, the district may impose a charge not to exceed the actual  
4 cost of such delivery.

5 (d) A district may delegate the responsibility for issuance  
6 of the particular form of Notice to Purchasers to an employee or  
7 agent of the district. The board by resolution shall designate the  
8 district employee or agent responsible for issuing the notice  
9 forms.

10 (e) Any notice issued by the district shall contain the  
11 information effective as of the date of its issuance.

12 Sec. 432.403. MAP OF DISTRICT BOUNDARIES. The principal  
13 municipality shall include on its map prepared under Section  
14 41.001, Local Government Code, the boundaries of each district  
15 created under this chapter by the principal municipality. A copy of  
16 the map showing a district's boundaries shall be kept in the  
17 district's office and shall be used to prepare the notices required  
18 under this subchapter.

19 Sec. 432.404. FILING INFORMATION. (a) A district board  
20 shall file with the county clerk in the county in which the district  
21 is located a duly affirmed and acknowledged information statement  
22 that includes the information required in Subsection (b), and a  
23 complete and accurate map or plat showing the boundaries of the  
24 district prepared under Section 432.403.

25 (b) The information statement filed by a district under this  
26 section include:

27 (1) the name of the district;

1           (2) the complete and accurate legal description of the  
2 boundaries of the district;

3           (3) the most recent rate of district taxes on property  
4 located in the district;

5           (4) the total amount of bonds that have been approved  
6 by the voters and which may be issued by the district (excluding  
7 refunding bonds and any bonds or portion of bonds payable solely  
8 from revenues received or expected to be received pursuant to a  
9 contract with a governmental entity);

10           (5) the aggregate initial principal amount of all  
11 bonds of the district payable in whole or part from taxes (excluding  
12 refunding bonds and any bonds or portion of bonds payable solely  
13 from revenues received or expected to be received pursuant to a  
14 contract with a governmental entity) that have been previously  
15 issued;

16           (7) the date of the district's creation;

17           (8) a statement of the functions performed or to be  
18 performed by the district; and

19           (9) the particular form of Notice to Purchasers  
20 required by Section 423.401 to be furnished by a seller to a  
21 purchaser of real property in that district completed by the  
22 district with all information required to be furnished by the  
23 district.

24           If a district has not yet levied taxes, a statement to such  
25 effect together with the district's most recent projected rate of  
26 debt service tax shall be substituted for Subdivisions (3) and (4).

27           (c) The information statement and map or plat required by

1 this section shall be signed by the presiding officer of the board  
2 and affirmed and acknowledged before it is filed with the county  
3 clerk, and each amendment made to an information form or map shall  
4 also be signed by the presiding officer and affirmed and  
5 acknowledged before it is filed with the county clerk.

6 (d) The information statement required by this section  
7 shall be filed with the county clerk by the second day after the  
8 date the district is created.

9 (e) Within seven days after there is a change in any of the  
10 information contained in the district information form, map, or  
11 plat, the district shall file an amendment to the information form,  
12 map, or plat setting forth the changes made.

13 (f) Any person who knowingly affirms the corrections and  
14 accuracy of and acknowledges an information form, map, or plat, or  
15 any amendment to an information form, map, or plat that includes  
16 information that is inaccurate or incorrect shall be guilty of a  
17 misdemeanor and shall be fined not less than \$100 nor more than  
18 \$1,000 for each violation.

19 (g) If a district fails to file the information required by  
20 this section in the time required, a district resident may request  
21 the attorney general or the district or county attorney of the  
22 county in which the district is located to seek a writ of mandamus  
23 to compel the preparation and filing of the information.

24 (i) If a district covered by this section is dissolved,  
25 annexed to another local government, or consolidated with another  
26 district, the presiding officer of the board shall file a statement  
27 of this fact together with the effective date of the dissolution,

1 annexation, or consolidation with the information form. After a  
2 district is dissolved and the statement is filed under this  
3 subsection, a person who sells or conveys property within the  
4 dissolved district is no longer required to give notice under  
5 Section 432.401.

6 SECTION 2. The heading to Subtitle I, Title 6,  
7 Transportation Code, is amended to read as follows:

8 SUBTITLE I. TRANSPORTATION CORPORATIONS AND TRANSPORTATION  
9 INFRASTRUCTURE SERVICES DISTRICTS

10 SECTION 3. Subsection (h), Section 43.052, Local Government  
11 Code, is amended to read as follows:

12 (h) This section does not apply to an area proposed for  
13 annexation if:

14 (1) the area contains fewer than 100 separate tracts  
15 of land on which one or more residential dwellings are located on  
16 each tract;

17 (2) the area will be annexed by petition of more than  
18 50 percent of the real property owners in the area proposed for  
19 annexation or by vote or petition of the qualified voters or real  
20 property owners as provided by Subchapter B;

21 (3) the area is or was the subject of:

22 (A) an industrial district contract under  
23 Section 42.044; or

24 (B) a strategic partnership agreement under  
25 Section 43.0751;

26 (4) the area is located in a colonia, as that term is  
27 defined by Section 2306.581, Government Code;



1 (5) the area is annexed under:

2 (A) Section 43.026, 43.027, 43.029, or 43.031; or

3 (B) Chapter 432, Transportation Code;

4 (6) the area is located completely within the  
5 boundaries of a closed military installation; or

6 (7) the municipality determines that the annexation of  
7 the area is necessary to protect the area proposed for annexation or  
8 the municipality from:

9 (A) imminent destruction of property or injury to  
10 persons; or

11 (B) a condition or use that constitutes a public  
12 or private nuisance as defined by background principles of nuisance  
13 and property law of this state.

14 SECTION 4. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2007.