

1-1 By: Taylor of Galveston S.B. No. 1100
 1-2 (In the Senate - Filed February 27, 2017; March 7, 2017,
 1-3 read first time and referred to Committee on Intergovernmental
 1-4 Relations; May 2, 2017, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 6, Nays 0;
 1-6 May 2, 2017, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | X | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | X | | | |
| 1-12 | X | | | |
| 1-13 | X | | | |
| 1-14 | | | X | |
| 1-15 | X | | | |

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 1100 By: Garcia

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the creation of the Brazoria County Management District
 1-20 No. 1; providing authority to issue bonds; providing authority to
 1-21 impose assessments, fees, and taxes.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Subtitle C, Title 4, Special District Local Laws
 1-24 Code, is amended by adding Chapter 3944 to read as follows:

1-25 CHAPTER 3944. BRAZORIA COUNTY MANAGEMENT DISTRICT NO. 1

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 3944.001. DEFINITIONS. In this chapter:

1-28 (1) "Board" means the district's board of directors.

1-29 (2) "County" means Brazoria County.

1-30 (3) "Director" means a board member.

1-31 (4) "District" means the Brazoria County Management

1-32 District No. 1.

1-33 Sec. 3944.002. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-34 (a) The district is a special district created under Section 59,
 1-35 Article XVI, Texas Constitution.

1-36 (b) The district is a governmental unit, as provided by
 1-37 Section 375.004, Local Government Code.

1-38 (c) This chapter does not waive any governmental or
 1-39 sovereign immunity from suit, liability, or judgment that would
 1-40 otherwise apply to the district.

1-41 Sec. 3944.003. CONFIRMATION AND DIRECTORS' ELECTION
 1-42 REQUIRED. The temporary directors shall hold an election to
 1-43 confirm the creation of the district and to elect five permanent
 1-44 directors as provided by Section 49.102, Water Code.

1-45 Sec. 3944.004. CONSENT OF MUNICIPALITY REQUIRED. The
 1-46 temporary directors may not hold an election under Section 3944.003
 1-47 until each municipality in whose corporate limits or
 1-48 extraterritorial jurisdiction the district is located has
 1-49 consented by ordinance or resolution to the creation of the
 1-50 district and to the inclusion of land in the district.

1-51 Sec. 3944.005. PURPOSE; DECLARATION OF INTENT. (a) The
 1-52 creation of the district is essential to accomplish the purposes of
 1-53 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-54 Texas Constitution, and other public purposes stated in this
 1-55 chapter. By creating the district, the legislature has established
 1-56 a program to accomplish the public purposes set out in Sections 52
 1-57 and 52-a, Article III, Texas Constitution.

1-58 (b) The creation of the district is necessary to promote,
 1-59 develop, encourage, and maintain employment, commerce,
 1-60 transportation, housing, tourism, recreation, the arts,

2-1 entertainment, economic development, safety, and the public
 2-2 welfare in the district.
 2-3 (c) This chapter and the creation of the district may not be
 2-4 interpreted to relieve a municipality or the county from providing
 2-5 the level of services provided as of the effective date of the Act
 2-6 enacting this chapter to the area in the district. The district is
 2-7 created to supplement and not to supplant governmental services
 2-8 provided in the district.
 2-9 Sec. 3944.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.
 2-10 (a) The district is created to serve a public use and benefit.
 2-11 (b) All land and other property included in the district
 2-12 will benefit from the improvements and services to be provided by
 2-13 the district under powers conferred by Sections 52 and 52-a,
 2-14 Article III, and Section 59, Article XVI, Texas Constitution, and
 2-15 other powers granted under this chapter.
 2-16 (c) The creation of the district is in the public interest
 2-17 and is essential to further the public purposes of:
 2-18 (1) developing and diversifying the economy of the
 2-19 state;
 2-20 (2) eliminating unemployment and underemployment; and
 2-21 (3) developing or expanding transportation and
 2-22 commerce.
 2-23 (d) The district will:
 2-24 (1) promote the health, safety, and general welfare of
 2-25 residents, employers, potential employees, employees, visitors,
 2-26 and consumers in the district, and of the public;
 2-27 (2) provide needed funding for the district to
 2-28 preserve, maintain, and enhance the economic health and vitality of
 2-29 the district territory as a community and business center; and
 2-30 (3) promote the health, safety, welfare, and enjoyment
 2-31 of the public by providing pedestrian ways, road facilities,
 2-32 transit facilities, parking facilities, enhanced infrastructure,
 2-33 recreational facilities, public art objects, water and wastewater
 2-34 facilities, and drainage facilities, and by landscaping and
 2-35 developing certain areas in the district, which are necessary for
 2-36 the restoration, preservation, and enhancement of scenic beauty.
 2-37 (e) Pedestrian ways along or across a street, whether at
 2-38 grade or above or below the surface, and street lighting, street
 2-39 landscaping, parking, and street art objects are parts of and
 2-40 necessary components of a street and are considered to be a street
 2-41 or road improvement.
 2-42 (f) The district will not act as the agent or
 2-43 instrumentality of any private interest even though the district
 2-44 will benefit many private interests as well as the public.
 2-45 Sec. 3944.007. DISTRICT TERRITORY. (a) The district is
 2-46 initially composed of the territory described by Section 2 of the
 2-47 Act enacting this chapter.
 2-48 (b) The boundaries and field notes of the district contained
 2-49 in Section 2 of the Act enacting this chapter form a closure. A
 2-50 mistake in the field notes or in copying the field notes in the
 2-51 legislative process does not affect the district's:
 2-52 (1) organization, existence, or validity;
 2-53 (2) right to issue any type of bonds, notes, or other
 2-54 obligations for a purpose for which the district is created or to
 2-55 pay the principal of and interest on the bonds, notes, or other
 2-56 obligations;
 2-57 (3) right to impose or collect an assessment or tax; or
 2-58 (4) legality or operation.
 2-59 Sec. 3944.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
 2-60 All or any part of the area of the district is eligible to be
 2-61 included in:
 2-62 (1) a tax increment reinvestment zone created under
 2-63 Chapter 311, Tax Code;
 2-64 (2) a tax abatement reinvestment zone created under
 2-65 Chapter 312, Tax Code;
 2-66 (3) an enterprise zone created under Chapter 2303,
 2-67 Government Code; or
 2-68 (4) an industrial district created under Chapter 42,
 2-69 Local Government Code.

3-1 Sec. 3944.009. APPLICABILITY OF MUNICIPAL MANAGEMENT
3-2 DISTRICTS LAW. Except as otherwise provided by this chapter,
3-3 Chapter 375, Local Government Code, applies to the district.

3-4 Sec. 3944.010. LIBERAL CONSTRUCTION OF CHAPTER. This
3-5 chapter shall be liberally construed in conformity with the
3-6 findings and purposes stated in this chapter.

3-7 Sec. 3944.011. CONFLICTS OF LAW. This chapter prevails
3-8 over any provision of general law, including a provision of Chapter
3-9 375, Local Government Code, or Chapter 49, Water Code, that is in
3-10 conflict or inconsistent with this chapter.

3-11 SUBCHAPTER B. BOARD OF DIRECTORS

3-12 Sec. 3944.051. GOVERNING BODY; TERMS. (a) The district is
3-13 governed by a board of five directors elected or appointed as
3-14 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-15 (b) Except as provided by Section 3944.053, directors serve
3-16 staggered four-year terms.

3-17 Sec. 3944.052. COMPENSATION. A director is entitled to
3-18 receive fees of office and reimbursement for actual expenses as
3-19 provided by Section 49.060, Water Code. Sections 375.069 and
3-20 375.070, Local Government Code, do not apply to the board.

3-21 Sec. 3944.053. TEMPORARY DIRECTORS. (a) On or after the
3-22 effective date of the Act creating this chapter, the owner or owners
3-23 of a majority of the assessed value of the real property in the
3-24 district according to the most recent certified tax appraisal roll
3-25 for the county may submit a petition to the Texas Commission on
3-26 Environmental Quality requesting that the commission appoint as
3-27 temporary directors the five persons named in the petition. The
3-28 commission shall appoint as temporary directors the five persons
3-29 named in the petition.

3-30 (b) Temporary directors serve until the earlier of:

3-31 (1) the date permanent directors are elected under
3-32 Section 3944.003; or

3-33 (2) the fourth anniversary of the effective date of
3-34 the Act creating this chapter.

3-35 (c) If permanent directors have not been elected under
3-36 Section 3944.003 and the terms of the temporary directors have
3-37 expired, successor temporary directors shall be appointed or
3-38 reappointed as provided by Subsection (d) to serve terms that
3-39 expire on the earlier of:

3-40 (1) the date permanent directors are elected under
3-41 Section 3944.003; or

3-42 (2) the fourth anniversary of the date of the
3-43 appointment or reappointment.

3-44 (d) If Subsection (c) applies, the owner or owners of a
3-45 majority of the assessed value of the real property in the district
3-46 according to the most recent certified tax appraisal roll for the
3-47 county may submit a petition to the Texas Commission on
3-48 Environmental Quality requesting that the commission appoint as
3-49 successor temporary directors the five persons named in the
3-50 petition. The commission shall appoint as successor temporary
3-51 directors the five persons named in the petition.

3-52 Sec. 3944.054. DISQUALIFICATION OF DIRECTORS. Section
3-53 49.052, Water Code, applies to the members of the board.

3-54 SUBCHAPTER C. POWERS AND DUTIES

3-55 Sec. 3944.101. GENERAL POWERS AND DUTIES. The district has
3-56 the powers and duties necessary to accomplish the purposes for
3-57 which the district is created.

3-58 Sec. 3944.102. IMPROVEMENT PROJECTS AND SERVICES. (a) The
3-59 district may provide, design, construct, acquire, improve,
3-60 relocate, operate, maintain, or finance an improvement project or
3-61 service using money available to the district, or contract with a
3-62 governmental or private entity to provide, design, construct,
3-63 acquire, improve, relocate, operate, maintain, or finance an
3-64 improvement project or service authorized under this chapter or
3-65 under Chapter 375, Local Government Code.

3-66 (b) An improvement project described by Subsection (a) may
3-67 be located inside or outside the district.

3-68 Sec. 3944.103. RECREATIONAL FACILITIES. The district may
3-69 develop or finance recreational facilities as authorized by Chapter

4-1 375, Local Government Code, Sections 52 and 52-a, Article III,
4-2 Texas Constitution, Section 59, Article XVI, Texas Constitution,
4-3 and any other law that applies to the district.

4-4 Sec. 3944.104. AUTHORITY FOR ROAD PROJECTS. Under Section
4-5 52, Article III, Texas Constitution, the district may own, operate,
4-6 maintain, design, acquire, construct, finance, issue bonds, notes,
4-7 or other obligations for, improve, and convey to this state, a
4-8 county, or a municipality for ownership, operation, and maintenance
4-9 macadamized, graveled, or paved roads or improvements, including
4-10 storm drainage, in aid of those roads.

4-11 Sec. 3944.105. CONVEYANCE AND APPROVAL OF ROAD PROJECT.
4-12 (a) The district may convey a road project authorized by Section
4-13 3944.104 to:

4-14 (1) a municipality or county that will operate and
4-15 maintain the road if the municipality or county has approved the
4-16 plans and specifications of the road project; or

4-17 (2) the state if the state will operate and maintain
4-18 the road and the Texas Transportation Commission has approved the
4-19 plans and specifications of the road project.

4-20 (b) Except as provided by Subsection (c), the district shall
4-21 operate and maintain a road project authorized by Section 3944.104
4-22 that the district implements and does not convey to a municipality,
4-23 a county, or this state under Subsection (a).

4-24 (c) The district may agree in writing with a municipality, a
4-25 county, or this state to assign operation and maintenance duties to
4-26 the district, the municipality, the county, or this state in a
4-27 manner other than the manner described in Subsections (a) and (b).

4-28 Sec. 3944.106. DEVELOPMENT CORPORATION POWERS. The
4-29 district, using money available to the district, may exercise the
4-30 powers given to a development corporation under Chapter 505, Local
4-31 Government Code, including the power to own, operate, acquire,
4-32 construct, lease, improve, or maintain a project under that
4-33 chapter.

4-34 Sec. 3944.107. NONPROFIT CORPORATION. (a) The board by
4-35 resolution may authorize the creation of a nonprofit corporation to
4-36 assist and act for the district in implementing a project or
4-37 providing a service authorized by this chapter.

4-38 (b) The nonprofit corporation:

4-39 (1) has each power of and is considered to be a local
4-40 government corporation created under Subchapter D, Chapter 431,
4-41 Transportation Code; and

4-42 (2) may implement any project and provide any service
4-43 authorized by this chapter.

4-44 (c) The board shall appoint the board of directors of the
4-45 nonprofit corporation. The board of directors of the nonprofit
4-46 corporation shall serve in the same manner as the board of directors
4-47 of a local government corporation created under Subchapter D,
4-48 Chapter 431, Transportation Code, except that a board member is not
4-49 required to reside in the district.

4-50 Sec. 3944.108. AGREEMENTS; GRANTS. (a) As provided by
4-51 Chapter 375, Local Government Code, the district may make an
4-52 agreement with or accept a gift, grant, or loan from any person.

4-53 (b) The implementation of a project is a governmental
4-54 function or service for the purposes of Chapter 791, Government
4-55 Code.

4-56 Sec. 3944.109. LAW ENFORCEMENT SERVICES. Section 49.216,
4-57 Water Code, applies to the district.

4-58 Sec. 3944.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The
4-59 district may join and pay dues to a charitable or nonprofit
4-60 organization that performs a service or provides an activity
4-61 consistent with the furtherance of a district purpose.

4-62 Sec. 3944.111. ECONOMIC DEVELOPMENT. (a) The district
4-63 may engage in activities that accomplish the economic development
4-64 purposes of the district.

4-65 (b) The district may establish and provide for the
4-66 administration of one or more programs to promote state or local
4-67 economic development and to stimulate business and commercial
4-68 activity in the district, including programs to:

4-69 (1) make loans and grants of public money; and

5-1 (2) provide district personnel and services.
5-2 (c) The district may create economic development programs
5-3 and exercise the economic development powers that:
5-4 (1) Chapter 380, Local Government Code, provides to a
5-5 municipality; and
5-6 (2) Subchapter A, Chapter 1509, Government Code,
5-7 provides to a municipality.
5-8 Sec. 3944.112. STRATEGIC PARTNERSHIP AGREEMENT. The
5-9 district may negotiate and enter into a written strategic
5-10 partnership agreement with a municipality under Section 43.0751,
5-11 Local Government Code.
5-12 Sec. 3944.113. REGIONAL PARTICIPATION AGREEMENT. The
5-13 district may negotiate and enter into a written regional
5-14 participation agreement with a municipality under Section 43.0754,
5-15 Local Government Code.
5-16 Sec. 3944.114. ANNEXATION OR EXCLUSION OF LAND. (a) The
5-17 district may annex land as provided by Subchapter J, Chapter 49,
5-18 Water Code.
5-19 (b) The district may exclude land as provided by Subchapter
5-20 J, Chapter 49, Water Code. Section 375.044(b), Local Government
5-21 Code, does not apply to the district.
5-22 (c) The district may include and exclude land as provided by
5-23 Sections 54.739-54.747, Water Code. A reference in those sections
5-24 to a "tax" means an ad valorem tax for the purposes of this
5-25 subsection.
5-26 (d) If the district adopts a sales and use tax authorized at
5-27 an election held under Section 3944.202 and subsequently includes
5-28 new territory in the district under this section, the district:
5-29 (1) is not required to hold another election to
5-30 approve the imposition of the sales and use tax in the included
5-31 territory; and
5-32 (2) shall impose the sales and use tax in the included
5-33 territory as provided by Chapter 321, Tax Code.
5-34 (e) If the district adopts a sales and use tax authorized at
5-35 an election held under Section 3944.202 and subsequently excludes
5-36 territory in the district under this section, the sales and use tax
5-37 is inapplicable to the excluded territory, as provided by Chapter
5-38 321, Tax Code, but is applicable to the territory remaining in the
5-39 district.
5-40 Sec. 3944.115. APPLICABILITY OF OTHER LAW TO CERTAIN
5-41 CONTRACTS. (a) Subchapter I, Chapter 49, Water Code, applies to a
5-42 district contract for construction work, equipment, materials, or
5-43 machinery. Notwithstanding Section 2269.003(a), Government Code,
5-44 the district may use a project delivery method described by
5-45 Subchapter I, Chapter 49, Water Code, or Subchapters A-G, I, and J,
5-46 Chapter 2269, Government Code.
5-47 (b) Notwithstanding Subsection (a), the board may adopt
5-48 rules governing the receipt of bids and the award of a district
5-49 contract and providing for the waiver of the competitive bid
5-50 process if:
5-51 (1) there is an emergency;
5-52 (2) the needed materials are available only from one
5-53 source;
5-54 (3) in a procurement requiring design by the supplier
5-55 competitive bidding would not be appropriate and competitive
5-56 negotiation, with proposals solicited from an adequate number of
5-57 qualified sources, would permit reasonable competition consistent
5-58 with the nature and requirements of the procurement; or
5-59 (4) after solicitation, it is ascertained that there
5-60 will be only one bidder.
5-61 (c) Section 375.223, Local Government Code, does not apply
5-62 to the district.
5-63 Sec. 3944.116. TERMS OF EMPLOYMENT; COMPENSATION. The
5-64 board may employ and establish the terms of employment and
5-65 compensation of an executive director or general manager and any
5-66 other district employees the board considers necessary.
5-67 Sec. 3944.117. PARKING FACILITIES. (a) The district may
5-68 acquire, lease as lessor or lessee, construct, develop, own,
5-69 operate, and maintain parking facilities or a system of parking

6-1 facilities, including lots, garages, parking terminals, or other
 6-2 structures or accommodations for parking motor vehicles off the
 6-3 streets and related appurtenances.

6-4 (b) The district's parking facilities serve the public
 6-5 purposes of the district and are owned, used, and held for a public
 6-6 purpose even if leased or operated by a private entity for a term of
 6-7 years.

6-8 (c) The district's parking facilities are parts of and
 6-9 necessary components of a street and are considered to be a street
 6-10 or road improvement.

6-11 (d) The development and operation of the district's parking
 6-12 facilities may be considered an economic development program.

6-13 Sec. 3944.118. NO EMINENT DOMAIN POWER. The district may
 6-14 not exercise the power of eminent domain.

6-15 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

6-16 Sec. 3944.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 6-17 board by resolution shall establish the number of directors'
 6-18 signatures and the procedure required for a disbursement or
 6-19 transfer of district money.

6-20 Sec. 3944.152. MONEY USED FOR IMPROVEMENTS OR SERVICES.
 6-21 The district may acquire, construct, finance, operate, maintain, or
 6-22 provide any improvement or service authorized under this chapter or
 6-23 Chapter 375, Local Government Code, using any money available to
 6-24 the district.

6-25 Sec. 3944.153. PETITION REQUIRED FOR FINANCING SERVICES AND
 6-26 IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
 6-27 service or improvement project with assessments under this chapter
 6-28 unless a written petition requesting that service or improvement
 6-29 has been filed with the board.

6-30 (b) The petition must be signed by the owners of a majority
 6-31 of the assessed value of real property in the district subject to
 6-32 assessment according to the most recent certified tax appraisal
 6-33 roll for the county.

6-34 Sec. 3944.154. METHOD OF NOTICE FOR HEARING. The district
 6-35 may mail the notice required by Section 375.115(c), Local
 6-36 Government Code, by certified or first class United States mail.
 6-37 The board shall determine the method of notice.

6-38 Sec. 3944.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.
 6-39 (a) The board by resolution may impose and collect an assessment
 6-40 for any purpose authorized by this chapter in all or any part of the
 6-41 district without regard to whether that area is already subject to
 6-42 or overlaps with an area of the district that is subject to a prior
 6-43 assessment imposed by the board.

6-44 (b) An assessment, a reassessment, or an assessment
 6-45 resulting from an addition to or correction of the assessment roll
 6-46 by the district, penalties and interest on an assessment or
 6-47 reassessment, an expense of collection, and reasonable attorney's
 6-48 fees incurred by the district are:

6-49 (1) a first and prior lien against the property
 6-50 assessed;

6-51 (2) superior to any other lien or claim other than a
 6-52 lien or claim for county, school district, or municipal ad valorem
 6-53 taxes; and

6-54 (3) the personal liability of and a charge against the
 6-55 owners of the property even if the owners are not named in the
 6-56 assessment proceedings.

6-57 (c) The lien is effective from the date of the board's
 6-58 resolution imposing the assessment until the date the assessment is
 6-59 paid. The board may enforce the lien in the same manner that the
 6-60 board may enforce an ad valorem tax lien against real property.

6-61 (d) The board may make a correction to or deletion from the
 6-62 assessment roll that does not increase the amount of assessment of
 6-63 any parcel of land without providing notice and holding a hearing in
 6-64 the manner required for additional assessments.

6-65 Sec. 3944.156. TAX AND ASSESSMENT ABATEMENTS. The district
 6-66 may designate reinvestment zones and may grant abatements of a tax
 6-67 or assessment on property in the zones.

6-68 Sec. 3944.157. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS.
 6-69 The district may not impose an assessment on the property,

7-1 including the equipment, rights-of-way, facilities, or
7-2 improvements, of:

7-3 (1) an electric utility or a power generation company
7-4 as defined by Section 31.002, Utilities Code;

7-5 (2) a gas utility as defined by Section 101.003 or
7-6 121.001, Utilities Code;

7-7 (3) a telecommunications provider as defined by
7-8 Section 51.002, Utilities Code; or

7-9 (4) a person who provides to the public cable
7-10 television or advanced telecommunications services.

7-11 Sec. 3944.158. RESIDENTIAL PROPERTY. Section 375.161,
7-12 Local Government Code, does not apply to:

7-13 (1) a tax imposed by the district; or

7-14 (2) a required payment for a service provided by the
7-15 district, including water and sewer service.

7-16 Sec. 3944.159. OPERATION AND MAINTENANCE TAX. (a) If
7-17 authorized at an election held under Section 3944.163, the district
7-18 may impose an annual operation and maintenance tax on taxable
7-19 property in the district in accordance with Section 49.107, Water
7-20 Code, for any district purpose, including to:

7-21 (1) operate and maintain the district;

7-22 (2) construct or acquire improvements; or

7-23 (3) provide a service.

7-24 (b) The board shall determine the tax rate. The rate may not
7-25 exceed the rate approved at the election.

7-26 (c) Section 49.107(h), Water Code, does not apply to the
7-27 district.

7-28 Sec. 3944.160. CONTRACT TAXES. In accordance with Section
7-29 49.108, Water Code, the district may impose a tax other than an
7-30 operation and maintenance tax and use the revenue derived from the
7-31 tax to make payments under a contract after the provisions of the
7-32 contract have been approved by a majority of the district voters
7-33 voting at an election held for that purpose.

7-34 Sec. 3944.161. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS
7-35 AND OTHER OBLIGATIONS. (a) The district may borrow money on terms
7-36 determined by the board.

7-37 (b) The district may by competitive bid or negotiated sale
7-38 issue bonds, notes, or other obligations payable wholly or partly
7-39 from taxes, including ad valorem taxes, or assessments, fees,
7-40 revenue, contract payments, grants, or other district money, or any
7-41 combination of those sources of money, to pay for any authorized
7-42 district purpose.

7-43 (c) In addition to any other terms authorized by the board
7-44 by bond order or resolution, the proceeds of the district's bonds
7-45 may be used for a reserve fund, credit enhancement, or capitalized
7-46 interest for the bonds.

7-47 (d) The limitation on the outstanding principal amount of
7-48 bonds, notes, and other obligations provided by Section 49.4645,
7-49 Water Code, does not apply to the district.

7-50 Sec. 3944.162. TAXES FOR BONDS. At the time the district
7-51 issues bonds payable wholly or partly from ad valorem taxes, the
7-52 board shall provide for the annual imposition of a continuing
7-53 direct ad valorem tax, without limit as to rate or amount, while all
7-54 or part of the bonds are outstanding as required and in the manner
7-55 provided by Sections 54.601 and 54.602, Water Code.

7-56 Sec. 3944.163. ELECTIONS REGARDING TAXES AND BONDS.
7-57 (a) The district may issue, without an election, bonds, notes, and
7-58 other obligations secured by:

7-59 (1) revenue other than ad valorem taxes; or

7-60 (2) contract payments described by Section 3944.160.

7-61 (b) The district must hold an election in the manner
7-62 provided by Subchapter L, Chapter 375, Local Government Code, to
7-63 obtain voter approval before the district may impose an ad valorem
7-64 tax or sales and use tax or issue bonds payable from ad valorem
7-65 taxes.

7-66 (c) Section 375.243, Local Government Code, does not apply
7-67 to the district.

7-68 (d) All or any part of any facilities or improvements that
7-69 may be acquired by a district through the issuance of district bonds

8-1 may be included in one single proposition to be voted on at the
8-2 election or the bonds may be submitted in several propositions.

8-3 Sec. 3944.164. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT
8-4 OBLIGATIONS. Except as provided by Section 375.263, Local
8-5 Government Code, a municipality is not required to pay a bond, note,
8-6 or other obligation of the district.

8-7 Sec. 3944.165. AUDIT EXEMPTION. (a) The district may
8-8 elect to complete an annual financial report in lieu of an annual
8-9 audit under Section 375.096(a)(6), Local Government Code, if:

8-10 (1) the district had no bonds or other long-term (more
8-11 than one year) liabilities outstanding during the fiscal period;

8-12 (2) the district did not have gross receipts from
8-13 operations, loans, taxes, assessments, or contributions in excess
8-14 of \$250,000 during the fiscal period; and

8-15 (3) the district's cash and temporary investments were
8-16 not in excess of \$250,000 during the fiscal period.

8-17 (b) Each annual financial report prepared in accordance
8-18 with this section must be open to public inspection and accompanied
8-19 by an affidavit signed by a duly authorized representative of the
8-20 district attesting to the accuracy and authenticity of the
8-21 financial report.

8-22 (c) The annual financial report and affidavit shall be
8-23 substantially similar in form to the annual financial report and
8-24 affidavit forms prescribed by the executive director of the Texas
8-25 Commission on Environmental Quality under Section 49.198, Water
8-26 Code.

8-27 SUBCHAPTER E. SALES AND USE TAX

8-28 Sec. 3944.201. APPLICABILITY OF CERTAIN TAX CODE
8-29 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
8-30 computation, administration, enforcement, and collection of the
8-31 sales and use tax authorized by this subchapter except to the extent
8-32 Chapter 321, Tax Code, is inconsistent with this chapter.

8-33 (b) A reference in Chapter 321, Tax Code, to a municipality
8-34 or the governing body of a municipality is a reference to the
8-35 district or the board, respectively.

8-36 Sec. 3944.202. ELECTION; ADOPTION OF TAX. (a) The
8-37 district may adopt a sales and use tax if authorized by a majority
8-38 of the voters of the district voting at an election held for that
8-39 purpose.

8-40 (b) The board by order may call an election to authorize the
8-41 adoption of the sales and use tax. The election may be held on any
8-42 uniform election date and in conjunction with any other district
8-43 election.

8-44 (c) The ballot shall be printed to provide for voting for or
8-45 against the proposition: "Authorization of a sales and use tax in
8-46 the Brazoria County Management District No. 1 at a rate not to
8-47 exceed ____ percent" (insert rate of one or more increments of
8-48 one-eighth of one percent).

8-49 Sec. 3944.203. SALES AND USE TAX RATE. (a) On or after the
8-50 date the results are declared of an election held under Section
8-51 3944.202, at which the voters approved imposition of the tax
8-52 authorized by this subchapter, the board shall determine and adopt
8-53 by resolution or order the initial rate of the tax, which must be in
8-54 one or more increments of one-eighth of one percent.

8-55 (b) After the election held under Section 3944.202, the
8-56 board may increase or decrease the rate of the tax by one or more
8-57 increments of one-eighth of one percent.

8-58 (c) The initial rate of the tax or any rate resulting from
8-59 subsequent increases or decreases may not exceed the lesser of:

8-60 (1) the maximum rate authorized by the district voters
8-61 at the election held under Section 3944.202; or

8-62 (2) a rate that, when added to the rates of all sales
8-63 and use taxes imposed by other political subdivisions with
8-64 territory in the district, would result in the maximum combined
8-65 rate prescribed by Section 321.101(f), Tax Code, at any location in
8-66 the district.

8-67 Sec. 3944.204. TAX AFTER MUNICIPAL ANNEXATION. (a) This
8-68 section applies to the district after a municipality annexes part
8-69 of the territory in the district and imposes the municipality's

9-1 sales and use tax in the annexed territory.

9-2 (b) If at the time of annexation the district has
 9-3 outstanding debt or other obligations payable wholly or partly from
 9-4 district sales and use tax revenue, Section 321.102(g), Tax Code,
 9-5 applies to the district.

9-6 (c) If at the time of annexation the district does not have
 9-7 outstanding debt or other obligations payable wholly or partly from
 9-8 district sales and use tax revenue, the district may:

9-9 (1) exclude the annexed territory from the district,
 9-10 if the district has no outstanding debt or other obligations
 9-11 payable from any source; or

9-12 (2) reduce the sales and use tax in the annexed
 9-13 territory by resolution or order of the board to a rate that, when
 9-14 added to the sales and use tax rate imposed by the municipality in
 9-15 the annexed territory, is equal to the sales and use tax rate
 9-16 imposed by the district in the district territory that was not
 9-17 annexed by the municipality.

9-18 Sec. 3944.205. NOTIFICATION OF RATE CHANGE. The board
 9-19 shall notify the comptroller of any changes made to the tax rate
 9-20 under this subchapter in the same manner the municipal secretary
 9-21 provides notice to the comptroller under Section 321.405(b), Tax
 9-22 Code.

9-23 Sec. 3944.206. USE OF REVENUE. Revenue from the sales and
 9-24 use tax imposed under this subchapter is for the use and benefit of
 9-25 the district and may be used for any district purpose. The district
 9-26 may pledge all or part of the revenue to the payment of bonds,
 9-27 notes, or other obligations, and that pledge of revenue may be in
 9-28 combination with other revenue, including tax revenue, available to
 9-29 the district.

9-30 Sec. 3944.207. ABOLITION OF TAX. (a) Except as provided
 9-31 by Subsection (b), the board may abolish the tax imposed under this
 9-32 subchapter without an election.

9-33 (b) The board may not abolish the tax imposed under this
 9-34 subchapter if the district has outstanding debt secured by the tax,
 9-35 and repayment of the debt would be impaired by the abolition of the
 9-36 tax.

9-37 (c) If the board abolishes the tax, the board shall notify
 9-38 the comptroller of that action in the same manner the municipal
 9-39 secretary provides notice to the comptroller under Section
 9-40 321.405(b), Tax Code.

9-41 (d) If the board abolishes the tax or decreases the tax rate
 9-42 to zero, a new election to authorize a sales and use tax must be held
 9-43 under Section 3944.202 before the district may subsequently impose
 9-44 the tax.

9-45 (e) This section does not apply to a decrease in the sales
 9-46 and use tax authorized under Section 3944.204(c)(2).

9-47 SUBCHAPTER F. HOTEL OCCUPANCY TAX

9-48 Sec. 3944.251. DEFINITION. In this subchapter, "hotel" has
 9-49 the meaning assigned by Section 156.001, Tax Code.

9-50 Sec. 3944.252. APPLICABILITY OF CERTAIN TAX CODE
 9-51 PROVISIONS. (a) For purposes of this subchapter:

9-52 (1) a reference in Subchapter A, Chapter 352, Tax
 9-53 Code, to a county is a reference to the district; and

9-54 (2) a reference in Subchapter A, Chapter 352, Tax
 9-55 Code, to the commissioners court is a reference to the board.

9-56 (b) Except as inconsistent with this subchapter, Subchapter
 9-57 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
 9-58 by this subchapter, including the collection of the tax, subject to
 9-59 the limitations prescribed by Sections 352.002(b) and (c), Tax
 9-60 Code.

9-61 Sec. 3944.253. TAX AUTHORIZED; USE OF REVENUE. The
 9-62 district may impose a hotel occupancy tax for any purpose described
 9-63 by Section 351.101 or 352.101, Tax Code.

9-64 Sec. 3944.254. TAX RATE. (a) The amount of the hotel
 9-65 occupancy tax may not exceed the lesser of:

9-66 (1) the maximum rate prescribed by Section 352.003(a),
 9-67 Tax Code; or

9-68 (2) a rate that, when added to the rates of all hotel
 9-69 occupancy taxes imposed by other political subdivisions with

10-1 territory in the district and by this state, does not exceed the sum
10-2 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
10-3 percent.

10-4 (b) The district tax is in addition to a tax imposed by a
10-5 municipality under Chapter 351, Tax Code, or by the county under
10-6 Chapter 352, Tax Code.

10-7 Sec. 3944.255. INFORMATION. The district may examine and
10-8 receive information related to the imposition of hotel occupancy
10-9 taxes to the same extent as if the district were a county.

10-10 Sec. 3944.256. USE OF REVENUE. The district may use revenue
10-11 from the hotel occupancy tax for any district purpose that is an
10-12 authorized use of hotel occupancy tax revenue under Chapter 351 or
10-13 352, Tax Code. The district may pledge all or part of the revenue to
10-14 the payment of bonds, notes, or other obligations and that pledge of
10-15 revenue may be in combination with other revenue available to the
10-16 district.

10-17 Sec. 3944.257. ABOLITION OF TAX. (a) Except as provided
10-18 by Subsection (b), the board may abolish the tax imposed under this
10-19 subchapter.

10-20 (b) The board may not abolish the tax imposed under this
10-21 subchapter if the district has outstanding debt secured by the tax,
10-22 and repayment of the debt would be impaired by the abolition of the
10-23 tax.

10-24 SUBCHAPTER G. DISSOLUTION BY BOARD

10-25 Sec. 3944.301. DISSOLUTION OF DISTRICT WITH OUTSTANDING
10-26 DEBT. (a) The board may dissolve the district regardless of
10-27 whether the district has debt. Section 375.264, Local Government
10-28 Code, does not apply to the district.

10-29 (b) If the district has debt when it is dissolved, the
10-30 district shall remain in existence solely for the purpose of
10-31 discharging its debts. The dissolution is effective when all debts
10-32 have been discharged.

10-33 SECTION 2. The Brazoria County Management District No. 1
10-34 initially includes all the territory contained in the following
10-35 area:

10-36 A METES & BOUNDS description of a certain 745.8 acre tract of
10-37 land situated in the H.T.&B.R.R. Company Survey, Abstract No. 251,
10-38 the A. A. Talmage Survey, Abstract No. 554, the A. A. Talmage
10-39 Survey, Abstract No. 553 and the James L Holmes Heirs Survey,
10-40 Abstract No. 610, all in Brazoria County, Texas and being out of a
10-41 called 2856.555 acre tract of land (Tract 1) conveyed to Dee S.
10-42 Osborne by the deed recorded in Volume 1159, Page 715 of the
10-43 Brazoria County Deed Records, a called 98.2535 acre tract of land
10-44 conveyed to Southeast Properties, Ltd by the deed recorded in
10-45 Clerk's File No. 92-33050 of the Brazoria County Official Public
10-46 Records and a called 109.232 acre tract of land conveyed to
10-47 Southeast Properties, LTD recorded in Volume 1221, Page 362 of the
10-48 Brazoria County Deed Records; said 745.8 acre tract being more
10-49 particularly described as follows with all bearings being based on
10-50 the Texas Coordinate System, South Central Zone, NAD 83;

10-51 COMMENCING at a found concrete monument at the northeast
10-52 corner of said 98.2535 acres also being in the southerly
10-53 right-of-way line of FM 1462;

10-54 THENCE, South 86°56'14" West, along the northerly line of said
10-55 98.2535 and 2856.555 acre tracts, common with the southerly
10-56 right-of-way line of said FM 1462, a distance of 1005.62 feet to a
10-57 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
10-58 corner") for the POINT OF BEGINNING of the herein described tract;

10-59 THENCE, over and across said 98.2535 and 2856.555 acre tracts
10-60 the following seven (7) bearings and distances;

10-61 1) South 33°31'32" East, a distance of 2191.74 feet to
10-62 a point for corner;

10-63 2) South 32°16'42" East, a distance of 473.37 feet to a
10-64 point for corner;

10-65 3) South 33°50'21" East, a distance of 1651.19 feet to
10-66 a point for corner;

10-67 4) South 34°22'34" East, a distance of 700.44 feet to a
10-68 point for corner;

10-69 5) South 67°37'10" East, a distance of 885.98 feet to a

11-1 point for corner;
11-2 6) South 68°00'23" East, a distance of 1178.08 feet to
11-3 a point for corner;
11-4 7) South 67°16'53" East, a distance of 1365.55 feet to
11-5 the beginning of a non-tangent curve to the left;
11-6 THENCE, continuing over and across said 2856.555 acres and
11-7 along the arc of said non-tangent curve to the left having a radius
11-8 of 5280.00 feet, a central angle of 21°24'05", an arc length of
11-9 1972.22 feet, and a long chord bearing South 51°53'34" East, 1960.78
11-10 feet to a point at the beginning of a compound curve to the left;
11-11 THENCE, continuing over and across said 2856.555 acres and
11-12 along the arc of said compound curve to the left having a radius of
11-13 5280.00 feet, a central angle of 07°33'42", an arc length of 696.84
11-14 feet, and a long chord bearing South 48°41'21" East, 696.33 feet to a
11-15 set 3/4-inch iron rod (with cap stamped "Jones|Carter property
11-16 corner") in the southeasterly line of said 2856.555 acre tract,
11-17 common with the northwesterly line of a called 110.21 acre tract of
11-18 land conveyed to Patrick D. Moller and wife, Suzanne Moller by the
11-19 deed recorded in Clerk's File No. 96-005947 of the Brazoria County
11-20 Official Public Records;
11-21 THENCE, South 59°36'38" West, along the southeasterly line of
11-22 said 2856.555 acre tract, common with the northwesterly lines of
11-23 said 110.21 acres and a called 5440.64 acre tract of land conveyed
11-24 to HRI Development Corporation by the deed recorded in Clerk's File
11-25 No. 88544-596 of the Brazoria County Official Public Records, a
11-26 distance of 2868.79 feet to a set 3/4-inch iron rod (with cap
11-27 stamped "Jones|Carter property corner");
11-28 THENCE over and across said 2856.555 and 109.232 acre tracts
11-29 the following six (6) bearings and distances;
11-30 1) North 67°38'45" West, a distance of 2391.22 feet to
11-31 a point for corner;
11-32 2) North 67°31'02" West, a distance of 2641.65 feet to
11-33 a point for corner;
11-34 3) North 33°08'38" West, a distance of 825.02 feet to a
11-35 point for corner;
11-36 4) North 37°02'29" West, a distance of 125.27 feet to a
11-37 point for corner;
11-38 5) North 34°06'46" West, a distance of 525.85 feet to a
11-39 point for corner;
11-40 6) North 32°45'11" West, a distance of 1737.40 feet to
11-41 a point for corner;
11-42 THENCE, North 33°07'56" West, continuing over and across said
11-43 2856.55 and 109.232 acre tracts, a distance of 1574.72 feet to a set
11-44 3/4-inch iron rod (with cap stamped "Jones|Carter property corner")
11-45 in a northerly line of said 2856.555 acre tract, common with the
11-46 southerly line of a called 80.74 acre tract of land (Tract 2)
11-47 conveyed to South Associates by the deed recorded in Volume 1420,
11-48 Page 710 of the Brazoria County Deed Records;
11-49 THENCE, North 86°55'53" East, along said common line, 256.28
11-50 feet to the southeast corner of said 80.74 acre tract also being in
11-51 the westerly line of the aforementioned 109.232 acre tract;
11-52 THENCE, North 02°27'26" West, along the westerly line of said
11-53 109.232 acre tract, common with the easterly line of said 80.74 acre
11-54 tract, a distance of 2584.43 feet to a set 3/4-inch iron rod (with
11-55 cap stamped "Jones|Carter property corner") at the northwest corner
11-56 of said 109.232 acre tract also being in the southerly right-of-way
11-57 line of said FM 1462;
11-58 THENCE, North 87°01'47" East, along the northerly line of said
11-59 109.232 and 2856.555 acre tracts, common with the southerly
11-60 right-of-way line of said FM 1462, a distance of 1590.81 feet to the
11-61 POINT OF BEGINNING, CONTAINING 745.8 acres of land in Brazoria
11-62 County, Texas.
11-63 SECTION 3. (a) The legal notice of the intention to
11-64 introduce this Act, setting forth the general substance of this
11-65 Act, has been published as provided by law, and the notice and a
11-66 copy of this Act have been furnished to all persons, agencies,
11-67 officials, or entities to which they are required to be furnished
11-68 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11-69 Government Code.

12-1 (b) The governor, one of the required recipients, has
12-2 submitted the notice and Act to the Texas Commission on
12-3 Environmental Quality.

12-4 (c) The Texas Commission on Environmental Quality has filed
12-5 its recommendations relating to this Act with the governor,
12-6 lieutenant governor, and speaker of the house of representatives
12-7 within the required time.

12-8 (d) The general law relating to consent by political
12-9 subdivisions to the creation of districts with conservation,
12-10 reclamation, and road powers and the inclusion of land in those
12-11 districts has been complied with.

12-12 (e) All requirements of the constitution and laws of this
12-13 state and the rules and procedures of the legislature with respect
12-14 to the notice, introduction, and passage of this Act have been
12-15 fulfilled and accomplished.

12-16 SECTION 4. This Act takes effect immediately if it receives
12-17 a vote of two-thirds of all the members elected to each house, as
12-18 provided by Section 39, Article III, Texas Constitution. If this
12-19 Act does not receive the vote necessary for immediate effect, this
12-20 Act takes effect September 1, 2017.

12-21

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