

1-1 By: Zerwas (Senate Sponsor - Kolthorst) H.B. No. 4635
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 6, 2019, read first time and referred to Committee on
 1-4 Intergovernmental Relations; May 15, 2019, reported adversely,
 1-5 with favorable Committee Substitute by the following vote: Yeas 7,
 1-6 Nays 0; May 15, 2019, 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 H.B. No. 4635 By: Fallon

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

1-19 relating to the creation of the Orchard Management District No. 1;
 1-20 providing authority to issue bonds; providing authority to impose
 1-21 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 3792 to read as follows:

1-25 CHAPTER 3792. ORCHARD MANAGEMENT DISTRICT NO. 1

1-26 SUBCHAPTER A. GENERAL PROVISIONS

1-27 Sec. 3792.0101. DEFINITIONS. In this chapter:

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

1-29 (2) "Commission" means the Texas Commission on
 1-30 Environmental Quality.

1-31 (3) "County" means Fort Bend County.

1-32 (4) "Director" means a board member.

1-33 (5) "District" means the Orchard Management District
 1-34 No. 1.

1-35 Sec. 3792.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

1-36 (a) The district is a special district created under Section 59,
 1-37 Article XVI, Texas Constitution.

1-38 (b) The district is a governmental unit, as provided by
 1-39 Section 375.004, Local Government Code.

1-40 (c) This chapter does not waive any governmental or
 1-41 sovereign immunity from suit, liability, or judgment that would
 1-42 otherwise apply to the district.

1-43 Sec. 3792.0103. PURPOSE; DECLARATION OF INTENT. (a) The
 1-44 creation of the district is essential to accomplish the purposes of
 1-45 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
 1-46 Texas Constitution, and other public purposes stated in this
 1-47 chapter.

1-48 (b) By creating the district, the legislature has
 1-49 established a program to accomplish the public purposes set out in
 1-50 Sections 52 and 52-a, Article III, Texas Constitution.

1-51 (c) The creation of the district is necessary to promote,
 1-52 develop, encourage, and maintain employment, commerce,
 1-53 transportation, housing, tourism, recreation, the arts,
 1-54 entertainment, economic development, safety, and the public
 1-55 welfare in the district.

1-56 (d) This chapter and the creation of the district may not be
 1-57 interpreted to relieve the county or a municipality from providing
 1-58 the level of services provided as of the effective date of the Act
 1-59 enacting this chapter to the area in the district. The district is
 1-60 created to supplement and not to supplant county or municipal

2-1 services provided in the district.
2-2 Sec. 3792.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.
2-3 (a) All land and other property included in the district will
2-4 benefit from the improvements and services to be provided by the
2-5 district under powers conferred by Sections 52 and 52-a, Article
2-6 III, and Section 59, Article XVI, Texas Constitution, and other
2-7 powers granted under this chapter.
2-8 (b) The district is created to serve a public use and
2-9 benefit.
2-10 (c) The creation of the district is in the public interest
2-11 and is essential to further the public purposes of:
2-12 (1) developing and diversifying the economy of the
2-13 state;
2-14 (2) eliminating unemployment and underemployment; and
2-15 (3) developing or expanding transportation and
2-16 commerce.
2-17 (d) The district will:
2-18 (1) promote the health, safety, and general welfare of
2-19 residents, employers, potential employees, employees, visitors,
2-20 and consumers in the district, and of the public;
2-21 (2) provide needed funding for the district to
2-22 preserve, maintain, and enhance the economic health and vitality of
2-23 the district territory as a community and business center;
2-24 (3) promote the health, safety, welfare, and enjoyment
2-25 of the public by providing pedestrian ways, road facilities,
2-26 transit facilities, parking facilities, rail facilities,
2-27 recreational facilities, and public art objects and by landscaping
2-28 and developing certain areas in the district, which are necessary
2-29 for the restoration, preservation, and enhancement of scenic
2-30 beauty; and
2-31 (4) provide for water, wastewater, and drainage
2-32 facilities for the district.
2-33 (e) Pedestrian ways along or across a street, whether at
2-34 grade or above or below the surface, and street lighting, street
2-35 landscaping, parking, and street art objects are parts of and
2-36 necessary components of a street and are considered to be a street
2-37 or road improvement.
2-38 (f) The district will not act as the agent or
2-39 instrumentality of any private interest even though the district
2-40 will benefit many private interests as well as the public.
2-41 Sec. 3792.0105. INITIAL DISTRICT TERRITORY. (a) The
2-42 district is initially composed of the territory described by
2-43 Section 2 of the Act enacting this chapter.
2-44 (b) The boundaries and field notes contained in Section 2 of
2-45 the Act enacting this chapter form a closure. A mistake in the
2-46 field notes or in copying the field notes in the legislative process
2-47 does not affect the district's:
2-48 (1) organization, existence, or validity;
2-49 (2) right to issue any type of bonds for the purposes
2-50 for which the district is created or to pay the principal of and
2-51 interest on the bonds;
2-52 (3) right to impose or collect an assessment or tax; or
2-53 (4) legality or operation.
2-54 Sec. 3792.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
2-55 All or any part of the area of the district is eligible to be
2-56 included in:
2-57 (1) a tax increment reinvestment zone created under
2-58 Chapter 311, Tax Code;
2-59 (2) a tax abatement reinvestment zone created under
2-60 Chapter 312, Tax Code;
2-61 (3) an enterprise zone created under Chapter 2303,
2-62 Government Code; or
2-63 (4) an industrial district created under Chapter 42,
2-64 Local Government Code.
2-65 Sec. 3792.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
2-66 DISTRICTS LAW. Except as otherwise provided by this chapter,
2-67 Chapter 375, Local Government Code, applies to the district.
2-68 Sec. 3792.0108. LIBERAL CONSTRUCTION OF CHAPTER. This
2-69 chapter shall be liberally construed in conformity with the

3-1 findings and purposes stated in this chapter.

3-2 Sec. 3792.0109. CONFLICTS OF LAW. This chapter prevails
 3-3 over any provision of general law, including a provision of Chapter
 3-4 375, Local Government Code, or Chapter 49, Water Code, that is in
 3-5 conflict or inconsistent with this chapter.

3-6 SUBCHAPTER B. BOARD OF DIRECTORS

3-7 Sec. 3792.0201. GOVERNING BODY; TERMS. (a) The district is
 3-8 governed by a board of five directors elected or appointed as
 3-9 provided by this chapter and Subchapter D, Chapter 49, Water Code.

3-10 (b) Except as provided by Section 3792.0203, directors
 3-11 serve staggered four-year terms.

3-12 Sec. 3792.0202. COMPENSATION. A director is entitled to
 3-13 receive fees of office and reimbursement for actual expenses as
 3-14 provided by Section 49.060, Water Code. Sections 375.069 and
 3-15 375.070, Local Government Code, do not apply to the board.

3-16 Sec. 3792.0203. TEMPORARY DIRECTORS. (a) On or after the
 3-17 effective date of the Act enacting this chapter, the owner or owners
 3-18 of a majority of the assessed value of the real property in the
 3-19 district according to the most recent certified tax appraisal roll
 3-20 for the county may submit a petition to the commission requesting
 3-21 that the commission appoint as temporary directors the five persons
 3-22 named in the petition. The commission shall appoint as temporary
 3-23 directors the five persons named in the petition.

3-24 (b) The temporary directors shall hold an election to elect
 3-25 five permanent directors as provided by Section 49.102, Water Code.

3-26 (c) Temporary directors serve until the earlier of:

3-27 (1) the date permanent directors are elected under
 3-28 Subsection (b); or

3-29 (2) the fourth anniversary of the effective date of
 3-30 the Act enacting this chapter.

3-31 (d) If permanent directors have not been elected under
 3-32 Subsection (b) and the terms of the temporary directors have
 3-33 expired, successor temporary directors shall be appointed or
 3-34 reappointed as provided by Subsection (e) to serve terms that
 3-35 expire on the earlier of:

3-36 (1) the date permanent directors are elected under
 3-37 Subsection (b); or

3-38 (2) the fourth anniversary of the date of the
 3-39 appointment or reappointment.

3-40 (e) If Subsection (d) applies, the owner or owners of a
 3-41 majority of the assessed value of the real property in the district
 3-42 according to the most recent certified tax appraisal roll for the
 3-43 county may submit a petition to the commission requesting that the
 3-44 commission appoint as successor temporary directors the five
 3-45 persons named in the petition. The commission shall appoint as
 3-46 successor temporary directors the five persons named in the
 3-47 petition.

3-48 Sec. 3792.0204. DISQUALIFICATION OF DIRECTORS. Section
 3-49 49.052, Water Code, applies to the members of the board.

3-50 SUBCHAPTER C. POWERS AND DUTIES

3-51 Sec. 3792.0301. GENERAL POWERS AND DUTIES. The district
 3-52 has the powers and duties necessary to accomplish the purposes for
 3-53 which the district is created.

3-54 Sec. 3792.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
 3-55 The district, using any money available to the district for the
 3-56 purpose, may provide, design, construct, acquire, improve,
 3-57 relocate, operate, maintain, or finance an improvement project or
 3-58 service authorized under this chapter or Chapter 375, Local
 3-59 Government Code.

3-60 (b) The district may contract with a governmental or private
 3-61 entity to carry out an action under Subsection (a).

3-62 (c) The implementation of a district project or service is a
 3-63 governmental function or service for the purposes of Chapter 791,
 3-64 Government Code.

3-65 Sec. 3792.0303. RECREATIONAL FACILITIES. The district may
 3-66 develop or finance recreational facilities as authorized by Chapter
 3-67 375, Local Government Code, Sections 52 and 52-a, Article III,
 3-68 Texas Constitution, Section 59, Article XVI, Texas Constitution,
 3-69 and any other law that applies to the district.

4-1 Sec. 3792.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
4-2 52, Article III, Texas Constitution, the district may own, operate,
4-3 maintain, design, acquire, construct, finance, issue bonds, notes,
4-4 or other obligations for, improve, and convey to this state, a
4-5 county, or a municipality for ownership, operation, and maintenance
4-6 macadamized, graveled, or paved roads or improvements, including
4-7 storm drainage, in aid of those roads.

4-8 Sec. 3792.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.
4-9 (a) The district may convey a road project authorized by Section
4-10 3792.0304 to:

4-11 (1) a municipality or county that will operate and
4-12 maintain the road if the municipality or county has approved the
4-13 plans and specifications of the road project; or

4-14 (2) the state if the state will operate and maintain
4-15 the road and the Texas Transportation Commission has approved the
4-16 plans and specifications of the road project.

4-17 (b) Except as provided by Subsection (c), the district shall
4-18 operate and maintain a road project authorized by Section 3792.0304
4-19 that the district implements and does not convey to a municipality,
4-20 a county, or this state under Subsection (a).

4-21 (c) The district may agree in writing with a municipality, a
4-22 county, or this state to assign operation and maintenance duties to
4-23 the district, the municipality, the county, or this state in a
4-24 manner other than the manner described in Subsections (a) and (b).

4-25 Sec. 3792.0306. RAIL FACILITIES. In addition to the powers
4-26 granted under Section 375.0921(b), Local Government Code, the
4-27 district may construct, acquire, improve, maintain, finance, and
4-28 operate rail facilities and improvements in aid of those facilities
4-29 for the transport of freight and other cargo.

4-30 Sec. 3792.0307. NONPROFIT CORPORATION. (a) The board by
4-31 resolution may authorize the creation of a nonprofit corporation to
4-32 assist and act for the district in implementing a project or
4-33 providing a service authorized by this chapter.

4-34 (b) The nonprofit corporation:
4-35 (1) has each power of and is considered to be a local
4-36 government corporation created under Subchapter D, Chapter 431,
4-37 Transportation Code; and

4-38 (2) may implement any project and provide any service
4-39 authorized by this chapter.

4-40 (c) The board shall appoint the board of directors of the
4-41 nonprofit corporation. The board of directors of the nonprofit
4-42 corporation shall serve in the same manner as the board of directors
4-43 of a local government corporation created under Subchapter D,
4-44 Chapter 431, Transportation Code, except that a board member is not
4-45 required to reside in the district.

4-46 Sec. 3792.0308. LAW ENFORCEMENT SERVICES. Section 49.216,
4-47 Water Code, applies to the district.

4-48 Sec. 3792.0309. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
4-49 The district may join and pay dues to a charitable or nonprofit
4-50 organization that performs a service or provides an activity
4-51 consistent with the furtherance of a district purpose.

4-52 Sec. 3792.0310. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
4-53 district may engage in activities that accomplish the economic
4-54 development purposes of the district.

4-55 (b) The district may establish and provide for the
4-56 administration of one or more programs to promote state or local
4-57 economic development and to stimulate business and commercial
4-58 activity in the district, including programs to:

4-59 (1) make loans and grants of public money; and
4-60 (2) provide district personnel and services.

4-61 (c) The district may create economic development programs
4-62 and exercise the economic development powers that:

4-63 (1) Chapter 380, Local Government Code, provides to a
4-64 municipality; and

4-65 (2) Subchapter A, Chapter 1509, Government Code,
4-66 provides to a municipality.

4-67 Sec. 3792.0311. STRATEGIC PARTNERSHIP AGREEMENT. The
4-68 district may negotiate and enter into a written strategic
4-69 partnership agreement with a municipality under Section 43.0751,

5-1 Local Government Code.

5-2 Sec. 3792.0312. REGIONAL PARTICIPATION AGREEMENT. The
 5-3 district may negotiate and enter into a written regional
 5-4 participation agreement with a municipality under Section 43.0754,
 5-5 Local Government Code.

5-6 Sec. 3792.0313. PARKING FACILITIES. (a) The district may
 5-7 acquire, lease as lessor or lessee, construct, develop, own,
 5-8 operate, and maintain parking facilities or a system of parking
 5-9 facilities, including lots, garages, parking terminals, or other
 5-10 structures or accommodations for parking motor vehicles off the
 5-11 streets and related appurtenances.

5-12 (b) The district's parking facilities serve the public
 5-13 purposes of the district and are owned, used, and held for a public
 5-14 purpose even if leased or operated by a private entity for a term of
 5-15 years.

5-16 (c) The district's parking facilities are parts of and
 5-17 necessary components of a street and are considered to be a street
 5-18 or road improvement.

5-19 (d) The development and operation of the district's parking
 5-20 facilities may be considered an economic development program.

5-21 Sec. 3792.0314. ADDING OR EXCLUDING LAND. (a) The district
 5-22 may add land as provided by Subchapter J, Chapter 49, Water Code.

5-23 (b) The district may exclude land as provided by Subchapter
 5-24 J, Chapter 49, Water Code. Section 375.044(b), Local Government
 5-25 Code, does not apply to the district.

5-26 (c) The district may include and exclude land as provided by
 5-27 Sections 54.739-54.747, Water Code. A reference in those sections
 5-28 to a "tax" means an ad valorem tax for the purposes of this
 5-29 subsection.

5-30 (d) If the district adopts a sales and use tax authorized at
 5-31 an election held under Section 3792.0602 and subsequently includes
 5-32 new territory in the district under this section, the district:

5-33 (1) is not required to hold another election to
 5-34 approve the imposition of the sales and use tax in the included
 5-35 territory; and

5-36 (2) shall impose the sales and use tax in the included
 5-37 territory as provided by Chapter 321, Tax Code.

5-38 (e) If the district adopts a sales and use tax authorized at
 5-39 an election held under Section 3792.0602 and subsequently excludes
 5-40 territory in the district under this section, the sales and use tax
 5-41 is inapplicable to the excluded territory, as provided by Chapter
 5-42 321, Tax Code, but is applicable to the territory remaining in the
 5-43 district.

5-44 Sec. 3792.0315. DISBURSEMENTS AND TRANSFERS OF MONEY. The
 5-45 board by resolution shall establish the number of directors'
 5-46 signatures and the procedure required for a disbursement or
 5-47 transfer of district money.

5-48 Sec. 3792.0316. AUDIT EXEMPTION. (a) The district may
 5-49 elect to complete an annual financial report in lieu of an annual
 5-50 audit under Section 375.096(a)(6), Local Government Code, if:

5-51 (1) the district had no bonds or other long-term (more
 5-52 than one year) liabilities outstanding during the fiscal period;

5-53 (2) the district did not have gross receipts from
 5-54 operations, loans, taxes, assessments, or contributions in excess
 5-55 of \$250,000 during the fiscal period; and

5-56 (3) the district's cash and temporary investments were
 5-57 not in excess of \$250,000 during the fiscal period.

5-58 (b) Each annual financial report prepared in accordance
 5-59 with this section must be open to public inspection and accompanied
 5-60 by an affidavit signed by a duly authorized representative of the
 5-61 district attesting to the accuracy and authenticity of the
 5-62 financial report.

5-63 (c) The annual financial report and affidavit shall be
 5-64 substantially similar in form to the annual financial report and
 5-65 affidavit forms prescribed by the executive director of the
 5-66 commission under Section 49.198, Water Code.

5-67 Sec. 3792.0317. NO EMINENT DOMAIN POWER. The district may
 5-68 not exercise the power of eminent domain.

5-69 SUBCHAPTER D. ASSESSMENTS

6-1 Sec. 3792.0401. PETITION REQUIRED FOR FINANCING SERVICES
6-2 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
6-3 service or improvement project with assessments under this chapter
6-4 unless a written petition requesting that service or improvement
6-5 has been filed with the board.

6-6 (b) A petition filed under Subsection (a) must be signed by
6-7 the owners of a majority of the assessed value of real property in
6-8 the district subject to assessment according to the most recent
6-9 certified tax appraisal roll for the county.

6-10 Sec. 3792.0402. METHOD OF NOTICE FOR HEARING. The district
6-11 may mail the notice required by Section 375.115(c), Local
6-12 Government Code, by certified or first class United States mail.
6-13 The board shall determine the method of notice.

6-14 Sec. 3792.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
6-15 The board by resolution may impose and collect an assessment for any
6-16 purpose authorized by this chapter in all or any part of the
6-17 district.

6-18 (b) An assessment, a reassessment, or an assessment
6-19 resulting from an addition to or correction of the assessment roll
6-20 by the district, penalties and interest on an assessment or
6-21 reassessment, an expense of collection, and reasonable attorney's
6-22 fees incurred by the district:

6-23 (1) are a first and prior lien against the property
6-24 assessed;

6-25 (2) are superior to any other lien or claim other than
6-26 a lien or claim for county, school district, or municipal ad valorem
6-27 taxes; and

6-28 (3) are the personal liability of and a charge against
6-29 the owners of the property even if the owners are not named in the
6-30 assessment proceedings.

6-31 (c) The lien is effective from the date of the board's
6-32 resolution imposing the assessment until the date the assessment is
6-33 paid. The board may enforce the lien in the same manner that the
6-34 board may enforce an ad valorem tax lien against real property.

6-35 (d) The board may make a correction to or deletion from the
6-36 assessment roll that does not increase the amount of assessment of
6-37 any parcel of land without providing notice and holding a hearing in
6-38 the manner required for additional assessments.

6-39 SUBCHAPTER E. TAXES AND BONDS

6-40 Sec. 3792.0501. TAX ELECTION REQUIRED. The district must
6-41 hold an election in the manner provided by Chapter 49, Water Code,
6-42 or, if applicable, Chapter 375, Local Government Code, to obtain
6-43 voter approval before the district may impose an ad valorem tax.

6-44 Sec. 3792.0502. OPERATION AND MAINTENANCE TAX. (a) If
6-45 authorized by a majority of the district voters voting at an
6-46 election under Section 3792.0501, the district may impose an
6-47 operation and maintenance tax on taxable property in the district
6-48 in the manner provided by Section 49.107, Water Code, for any
6-49 district purpose, including to:

6-50 (1) maintain and operate the district;

6-51 (2) construct or acquire improvements; or

6-52 (3) provide a service.

6-53 (b) The board shall determine the operation and maintenance
6-54 tax rate. The rate may not exceed the rate approved at the
6-55 election.

6-56 (c) Section 49.107(h), Water Code, does not apply to the
6-57 district.

6-58 Sec. 3792.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
6-59 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
6-60 terms determined by the board.

6-61 (b) The district, by competitive bid or negotiated sale, may
6-62 issue bonds, notes, or other obligations payable wholly or partly
6-63 from ad valorem taxes, assessments, impact fees, revenue, contract
6-64 payments, grants, or other district money, or any combination of
6-65 those sources of money, to pay for any authorized district purpose.

6-66 (c) The limitation on the outstanding principal amount of
6-67 bonds, notes, or other obligations provided by Section 49.4645,
6-68 Water Code, does not apply to the district.

6-69 Sec. 3792.0504. BONDS SECURED BY REVENUE OR CONTRACT

7-1 PAYMENTS. The district may issue, without an election, bonds
7-2 secured by:
7-3 (1) revenue other than ad valorem taxes, including
7-4 contract revenues; or
7-5 (2) contract payments, provided that the requirements
7-6 of Section 49.108, Water Code, have been met.
7-7 Sec. 3792.0505. BONDS SECURED BY AD VALOREM TAXES;
7-8 ELECTIONS. (a) If authorized at an election under Section
7-9 3792.0501, the district may issue bonds payable from ad valorem
7-10 taxes.
7-11 (b) Section 375.243, Local Government Code, does not apply
7-12 to the district.
7-13 (c) At the time the district issues bonds payable wholly or
7-14 partly from ad valorem taxes, the board shall provide for the annual
7-15 imposition of a continuing direct annual ad valorem tax, without
7-16 limit as to rate or amount, for each year that all or part of the
7-17 bonds are outstanding as required and in the manner provided by
7-18 Sections 54.601 and 54.602, Water Code.
7-19 (d) All or any part of any facilities or improvements that
7-20 may be acquired by a district by the issuance of its bonds may be
7-21 submitted as a single proposition or as several propositions to be
7-22 voted on at the election.
7-23 Sec. 3792.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
7-24 board may not hold an election under Section 3792.0501, issue
7-25 bonds, or incur any debt until each municipality in whose corporate
7-26 limits or extraterritorial jurisdiction the district is located has
7-27 consented by ordinance or resolution to the creation of the
7-28 district and to the inclusion of land in the district.
7-29 (b) This section applies only to the district's first
7-30 issuance of bonds payable from ad valorem taxes.
7-31 SUBCHAPTER F. SALES AND USE TAX
7-32 Sec. 3792.0601. APPLICABILITY OF CERTAIN TAX CODE
7-33 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
7-34 computation, administration, enforcement, and collection of the
7-35 sales and use tax authorized by this subchapter except to the extent
7-36 Chapter 321, Tax Code, is inconsistent with this chapter.
7-37 (b) A reference in Chapter 321, Tax Code, to a municipality
7-38 or the governing body of a municipality is a reference to the
7-39 district or the board, respectively.
7-40 Sec. 3792.0602. ELECTION; ADOPTION OF TAX. (a) The
7-41 district may adopt a sales and use tax if authorized by a majority
7-42 of the voters of the district voting at an election held for that
7-43 purpose.
7-44 (b) The board by order may call an election to authorize the
7-45 adoption of the sales and use tax. The election may be held on any
7-46 uniform election date and in conjunction with any other district
7-47 election.
7-48 (c) The ballot shall be printed to provide for voting for or
7-49 against the proposition: "Authorization of a sales and use tax in
7-50 the Orchard Management District No. 1 at a rate not to exceed _____
7-51 percent" (insert rate of one or more increments of one-eighth of one
7-52 percent).
7-53 Sec. 3792.0603. SALES AND USE TAX RATE. (a) On or after the
7-54 date the results are declared of an election held under Section
7-55 3792.0602, at which the voters approved imposition of the tax
7-56 authorized by this subchapter, the board shall determine and adopt
7-57 by resolution or order the initial rate of the tax, which must be in
7-58 one or more increments of one-eighth of one percent.
7-59 (b) After the election held under Section 3792.0602, the
7-60 board may increase or decrease the rate of the tax by one or more
7-61 increments of one-eighth of one percent.
7-62 (c) The initial rate of the tax or any rate resulting from
7-63 subsequent increases or decreases may not exceed the lesser of:
7-64 (1) the maximum rate authorized by the district voters
7-65 at the election held under Section 3792.0602; or
7-66 (2) a rate that, when added to the rates of all sales
7-67 and use taxes imposed by other political subdivisions with
7-68 territory in the district, would result in the maximum combined
7-69 rate prescribed by Section 321.101(f), Tax Code, at any location in

8-1 the district.

8-2 Sec. 3792.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
 8-3 section applies to the district after a municipality annexes part
 8-4 of the territory in the district and imposes the municipality's
 8-5 sales and use tax in the annexed territory.

8-6 (b) If at the time of annexation the district has
 8-7 outstanding debt or other obligations payable wholly or partly from
 8-8 district sales and use tax revenue, Section 321.102(g), Tax Code,
 8-9 applies to the district.

8-10 (c) If at the time of annexation the district does not have
 8-11 outstanding debt or other obligations payable wholly or partly from
 8-12 district sales and use tax revenue, the district may:

8-13 (1) exclude the annexed territory from the district,
 8-14 if the district has no outstanding debt or other obligations
 8-15 payable from any source; or

8-16 (2) reduce the sales and use tax in the annexed
 8-17 territory by resolution or order of the board to a rate that, when
 8-18 added to the sales and use tax rate imposed by the municipality in
 8-19 the annexed territory, is equal to the sales and use tax rate
 8-20 imposed by the district in the district territory that was not
 8-21 annexed by the municipality.

8-22 Sec. 3792.0605. NOTIFICATION OF RATE CHANGE. The board
 8-23 shall notify the comptroller of any changes made to the tax rate
 8-24 under this subchapter in the same manner the municipal secretary
 8-25 provides notice to the comptroller under Section 321.405(b), Tax
 8-26 Code.

8-27 Sec. 3792.0606. USE OF REVENUE. Revenue from the sales and
 8-28 use tax imposed under this subchapter is for the use and benefit of
 8-29 the district and may be used for any district purpose. The district
 8-30 may pledge all or part of the revenue to the payment of bonds,
 8-31 notes, or other obligations, and that pledge of revenue may be in
 8-32 combination with other revenue, including tax revenue, available to
 8-33 the district.

8-34 Sec. 3792.0607. ABOLITION OF TAX. (a) Except as provided
 8-35 by Subsection (b), the board may abolish the tax imposed under this
 8-36 subchapter without an election.

8-37 (b) The board may not abolish the tax imposed under this
 8-38 subchapter if the district has outstanding debt secured by the tax,
 8-39 and repayment of the debt would be impaired by the abolition of the
 8-40 tax.

8-41 (c) If the board abolishes the tax, the board shall notify
 8-42 the comptroller of that action in the same manner the municipal
 8-43 secretary provides notice to the comptroller under Section
 8-44 321.405(b), Tax Code.

8-45 (d) If the board abolishes the tax or decreases the tax rate
 8-46 to zero, a new election to authorize a sales and use tax must be held
 8-47 under Section 3792.0602 before the district may subsequently impose
 8-48 the tax.

8-49 (e) This section does not apply to a decrease in the sales
 8-50 and use tax authorized under Section 3792.0604(c)(2).

8-51 SUBCHAPTER I. DISSOLUTION

8-52 Sec. 3792.0901. DISSOLUTION. (a) The board shall dissolve
 8-53 the district on written petition filed with the board by the owners
 8-54 of:

8-55 (1) 66 percent or more of the assessed value of the
 8-56 property subject to assessment by the district based on the most
 8-57 recent certified county property tax rolls; or

8-58 (2) 66 percent or more of the surface area of the
 8-59 district, excluding roads, streets, highways, utility
 8-60 rights-of-way, other public areas, and other property exempt from
 8-61 assessment by the district according to the most recent certified
 8-62 county property tax rolls.

8-63 (b) The board by majority vote may dissolve the district at
 8-64 any time.

8-65 (c) The district may not be dissolved by its board under
 8-66 Subsection (a) or (b) if the district:

8-67 (1) has any outstanding bonded indebtedness until that
 8-68 bonded indebtedness has been repaid or defeased in accordance with
 8-69 the order or resolution authorizing the issuance of the bonds;

9-1 (2) has a contractual obligation to pay money until
 9-2 that obligation has been fully paid in accordance with the
 9-3 contract; or

9-4 (3) owns, operates, or maintains public works,
 9-5 facilities, or improvements unless the district contracts with
 9-6 another person for the ownership, operation, or maintenance of the
 9-7 public works, facilities, or improvements.

9-8 (d) Sections 375.261, 375.262, and 375.264, Local
 9-9 Government Code, do not apply to the district.

9-10 SECTION 2. The Orchard Management District No. 1 initially
 9-11 includes all the territory contained in the following area:

9-12 A Field Note Description of 920 Acres of Land, more or less,
 9-13 being the Easterly 287.5 Acres of Land, more or less, of the German
 9-14 Emigration Company Survey No. 6, Abstract 176 and 632.5 Acres of
 9-15 Land, more or less, being the remainder of the David Scott Heirs
 9-16 Survey, Abstract 316, Fort Bend County, Texas.

9-17 Beginning at a point in the South line of the Gail Borden
 9-18 League, Abstract 12 marking the Northwest corner of the Peter
 9-19 McGreal Survey, Abstract 338 and Northeast corner of said German
 9-20 Emigration Company Survey No. 6, Abstract 176 and the Northeast
 9-21 corner of and place of beginning for this 920 Acre Tract;

9-22 THENCE, South, 3279.63 feet, more or less, along the East
 9-23 line of said German Emigration Company Survey No. 6, Abstract 176
 9-24 and the West line of said Peter McGreal Survey, Abstract 338 to the
 9-25 Southeast corner of said German Emigration Company Survey No. 6,
 9-26 Abstract 176 and the Southwest corner of said Peter McGreal Survey,
 9-27 Abstract 338 to a point marking a re-entrant corner for this tract;

9-28 THENCE, East, 1120 feet, more or less, along the North line of
 9-29 the David Scott Heirs Survey, Abstract 316 and the South line of
 9-30 said Peter McGreal Survey, Abstract 338 to a point marking the
 9-31 Northeast corner of said David Scott Heirs Survey, Abstract 316 and
 9-32 Northwest corner of the German Emigration Company Survey No. 8,
 9-33 Abstract 177 and marking a Southerly Northeast corner for this
 9-34 tract;

9-35 THENCE, South, 5445 feet, more or less, along the East line of
 9-36 said David Scott Heirs Survey, Abstract 316 and West line of said
 9-37 German Emigration Company Survey No. 8, Abstract 177 and Heirs of
 9-38 L. Burknap Survey, Abstract 109 to the Southeast corner of said
 9-39 David Scott Heirs Survey, Abstract 316 for the Southeast corner of
 9-40 this tract; said corner also marking the Northeast corner of the
 9-41 Mark Smith Survey, Abstract 314;

9-42 THENCE, West, 5060 feet, more or less, along the North line of
 9-43 the Mark Smith Survey, Abstract 314 and South line of said David
 9-44 Scott Heirs Survey, Abstract 316 to a point in the East right-of-way
 9-45 line of State Farm Market Road No. 1489 marking the Southwest
 9-46 corner for this tract;

9-47 THENCE, North, along said East right-of-way line of said
 9-48 State Farm Market Road No. 1489, at 5445 feet, more or less, pass
 9-49 the North line of said David Scott Heirs Survey, Abstract 316 and
 9-50 South line of said German Emigration Company Survey No. 6, Abstract
 9-51 176, in all 7487.25 feet, more or less, to the point of curve to the
 9-52 right;

9-53 THENCE, Continuing along said Southeast right-of-way line of
 9-54 State Farm Market Road No. 1489, Northeasterly along a curve to the
 9-55 right with the following data: Delta=63degrees 19'06',
 9-56 Radius=1086.28 feet, Length=1200.48 feet and Chord= North
 9-57 31deg.39'33" East, 1140.3 feet, more or less to point of tangency;

9-58 THENCE, North 63deg.19'06" East, 594.11 feet, more or less
 9-59 along said Southeast right-of-way line of State Farm Market Road
 9-60 No. 1489 to a point in the South line of said Gail Borden League,
 9-61 Abstract 12 marking the Northwest corner for this tract;

9-62 THENCE, East, 2810.65 feet, more or less, along said South
 9-63 line of said Gail Borden League, Abstract 12 and North line of said
 9-64 German Emigration Company Survey No. 6 to the place of beginning
 9-65 and containing 920 Acres of Land, more or less.

9-66 SECTION 3. (a) The legal notice of the intention to
 9-67 introduce this Act, setting forth the general substance of this
 9-68 Act, has been published as provided by law, and the notice and a
 9-69 copy of this Act have been furnished to all persons, agencies,

10-1 officials, or entities to which they are required to be furnished
10-2 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
10-3 Government Code.

10-4 (b) The governor, one of the required recipients, has
10-5 submitted the notice and Act to the Texas Commission on
10-6 Environmental Quality.

10-7 (c) The Texas Commission on Environmental Quality has filed
10-8 its recommendations relating to this Act with the governor,
10-9 lieutenant governor, and speaker of the house of representatives
10-10 within the required time.

10-11 (d) All requirements of the constitution and laws of this
10-12 state and the rules and procedures of the legislature with respect
10-13 to the notice, introduction, and passage of this Act have been
10-14 fulfilled and accomplished.

10-15 SECTION 4. This Act takes effect immediately if it receives
10-16 a vote of two-thirds of all the members elected to each house, as
10-17 provided by Section 39, Article III, Texas Constitution. If this
10-18 Act does not receive the vote necessary for immediate effect, this
10-19 Act takes effect September 1, 2019.

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