

SENATE AMENDMENTS

2nd Printing

By: Bailes

H.B. No. 4653

A BILL TO BE ENTITLED

AN ACT

relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3973 to read as follows:

CHAPTER 3973. TARKINGTON MANAGEMENT DISTRICT NO. 1 OF LIBERTY COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3973.0101. DEFINITIONS. In this chapter:

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

(2) "County" means Liberty County.

(3) "Director" means a board member.

(4) "District" means the Tarkington Management District No. 1 of Liberty County.

Sec. 3973.0102. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 3973.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the county and

1 other political subdivisions to contract with the district, the
2 legislature has established a program to accomplish the public
3 purposes set out in Section 52-a, Article III, Texas Constitution.

4 (b) The creation of the district is necessary to promote,
5 develop, encourage, and maintain employment, commerce,
6 transportation, housing, tourism, recreation, the arts,
7 entertainment, economic development, safety, and the public
8 welfare in the district.

9 (c) This chapter and the creation of the district may not be
10 interpreted to relieve the county from providing the level of
11 services provided as of the effective date of the Act enacting this
12 chapter to the area in the district. The district is created to
13 supplement and not to supplant county services provided in the
14 district.

15 Sec. 3973.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

16 (a) The district is created to serve a public use and benefit.

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

22 (c) The creation of the district is in the public interest
23 and is essential to further the public purposes of:

24 (1) developing and diversifying the economy of the
25 state;

26 (2) eliminating unemployment and underemployment; and

27 (3) developing or expanding transportation and

1 commerce.

2 (d) The district will:

3 (1) promote the health, safety, and general welfare of
4 residents, employers, potential employees, employees, visitors,
5 and consumers in the district, and of the public;

6 (2) provide needed funding for the district to
7 preserve, maintain, and enhance the economic health and vitality of
8 the district territory as a community and business center;

9 (3) promote the health, safety, welfare, and enjoyment
10 of the public by providing pedestrian ways and by landscaping and
11 developing certain areas in the district, which are necessary for
12 the restoration, preservation, and enhancement of scenic beauty;
13 and

14 (4) provide for water, wastewater, drainage, road,
15 transportation, and recreational facilities for the district.

16 (e) Pedestrian ways along or across a street, whether at
17 grade or above or below the surface, and street lighting, street
18 landscaping, parking, and street art objects are parts of and
19 necessary components of a street and are considered to be a street
20 or road improvement.

21 (f) The district will not act as the agent or
22 instrumentality of any private interest even though the district
23 will benefit many private interests as well as the public.

24 Sec. 3973.0105. INITIAL DISTRICT TERRITORY. (a) The
25 district is initially composed of the territory described by
26 Section 2 of the Act enacting this chapter.

27 (b) The boundaries and field notes contained in Section 2 of

1 the Act enacting this chapter form a closure. A mistake in the
2 field notes or in copying the field notes in the legislative process
3 does not affect the district's:

4 (1) organization, existence, or validity;

5 (2) right to issue any type of bonds for the purposes
6 for which the district is created or to pay the principal of and
7 interest on the bonds;

8 (3) right to impose or collect an assessment or tax; or

9 (4) legality or operation.

10 Sec. 3973.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

11 All or any part of the area of the district is eligible to be
12 included in:

13 (1) a tax increment reinvestment zone created under
14 Chapter 311, Tax Code;

15 (2) a tax abatement reinvestment zone created under
16 Chapter 312, Tax Code;

17 (3) an enterprise zone created under Chapter 2303,
18 Government Code; or

19 (4) an industrial district created under Chapter 42,
20 Local Government Code.

21 Sec. 3973.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
22 DISTRICTS LAW. Except as otherwise provided by this chapter,
23 Chapter 375, Local Government Code, applies to the district.

24 Sec. 3973.0108. CONSTRUCTION OF CHAPTER. This chapter
25 shall be liberally construed in conformity with the findings and
26 purposes stated in this chapter.

27 Sec. 3973.0109. CONFLICTS OF LAW. This chapter prevails

1 over any provision of general law, including a provision of Chapter
2 375, Local Government Code, or Chapter 49, Water Code, that is in
3 conflict or inconsistent with this chapter.

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 3973.0201. GOVERNING BODY; TERMS. (a) The district is
6 governed by a board of five directors elected or appointed as
7 provided by this chapter and Subchapter D, Chapter 49, Water Code.

8 (b) Except as provided by Section 3973.0204, directors
9 serve staggered four-year terms.

10 Sec. 3973.0202. QUORUM. For purposes of determining the
11 requirements for a quorum of the board, the following are not
12 counted:

13 (1) a board position vacant for any reason, including
14 death, resignation, or disqualification; or

15 (2) a director who is abstaining from participation in
16 a vote because of a conflict of interest.

17 Sec. 3973.0203. COMPENSATION. A director is entitled to
18 receive fees of office and reimbursement for actual expenses as
19 provided by Section 49.060, Water Code. Sections 375.069 and
20 375.070, Local Government Code, do not apply to the board.

21 Sec. 3973.0204. TEMPORARY DIRECTORS. (a) The temporary
22 board consists of:

23 (1) Gready Hunter;

24 (2) Kevin Loeffler;

25 (3) Rusty Campbell;

26 (4) Greg Eknoyan; and

27 (5) Gordan Richardson.

1 (b) The temporary or successor temporary directors shall
2 hold an election to elect five permanent directors as provided by
3 Section 49.102, Water Code.

4 (c) Temporary directors serve until the earlier of:

5 (1) the date permanent directors are elected under
6 Subsection (b); or

7 (2) the fourth anniversary of the effective date of
8 the Act creating this chapter.

9 (d) If permanent directors have not been elected under
10 Subsection (b) and the terms of the temporary directors have
11 expired, successor temporary directors shall be appointed or
12 reappointed as provided by Subsection (e) to serve terms that
13 expire on the earlier of:

14 (1) the date permanent directors are elected under
15 Subsection (b); or

16 (2) the fourth anniversary of the date of the
17 appointment or reappointment.

18 (e) If Subsection (d) applies, the owner or owners of a
19 majority of the assessed value of the real property in the district
20 according to the most recent certified tax appraisal roll for the
21 county may submit a petition to the Texas Commission on
22 Environmental Quality requesting that the commission appoint as
23 successor temporary directors the five persons named in the
24 petition. The commission shall appoint as successor temporary
25 directors the five persons named in the petition.

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 3973.0301. GENERAL POWERS AND DUTIES. The district

1 has the powers and duties necessary to accomplish the purposes for
2 which the district is created.

3 Sec. 3973.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)

4 The district may provide, design, construct, acquire, improve,
5 relocate, operate, maintain, or finance an improvement project or
6 service using money available to the district, or contract with a
7 governmental or private entity to provide, design, construct,
8 acquire, improve, relocate, operate, maintain, or finance an
9 improvement project or service authorized under this chapter or
10 under Chapter 375, Local Government Code.

11 (b) An improvement project described by Subsection (a) may
12 be located inside or outside the district.

13 Sec. 3973.0303. AUTHORITY FOR ROAD PROJECTS. Under Section

14 52, Article III, Texas Constitution, the district may own, operate,
15 maintain, design, acquire, construct, finance, issue bonds, notes,
16 or other obligations for, improve, and convey to this state, a
17 county, or a municipality for ownership, operation, and maintenance
18 macadamized, graveled, or paved roads or improvements, including
19 storm drainage, in aid of those roads.

20 Sec. 3973.0304. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

21 (a) The district may convey a road project authorized by Section
22 3973.0303 to:

23 (1) a municipality or county that will operate and
24 maintain the road if the municipality or county has approved the
25 plans and specifications of the road project; or

26 (2) the state if the state will operate and maintain
27 the road and the Texas Transportation Commission has approved the

1 plans and specifications of the road project.

2 (b) Except as provided by Subsection (c), the district shall
3 operate and maintain a road project authorized by Section 3973.0303
4 that the district implements and does not convey to a municipality,
5 a county, or this state under Subsection (a).

6 (c) The district may agree in writing with a municipality, a
7 county, or this state to assign operation and maintenance duties to
8 the district, the municipality, the county, or this state in a
9 manner other than the manner described in Subsections (a) and (b).

10 Sec. 3973.0305. DEVELOPMENT CORPORATION POWERS. The
11 district, using money available to the district, may exercise the
12 powers given to a development corporation under Chapter 505, Local
13 Government Code, including the power to own, operate, acquire,
14 construct, lease, improve, or maintain a project under that
15 chapter.

16 Sec. 3973.0306. NONPROFIT CORPORATION. (a) The board by
17 resolution may authorize the creation of a nonprofit corporation to
18 assist and act for the district in implementing a project or
19 providing a service authorized by this chapter.

20 (b) The nonprofit corporation:

21 (1) has each power of and is considered to be a local
22 government corporation created under Subchapter D, Chapter 431,
23 Transportation Code; and

24 (2) may implement any project and provide any service
25 authorized by this chapter.

26 (c) The board shall appoint the board of directors of the
27 nonprofit corporation. The board of directors of the nonprofit

1 corporation shall serve in the same manner as the board of directors
2 of a local government corporation created under Subchapter D,
3 Chapter 431, Transportation Code, except that a board member is not
4 required to reside in the district.

5 Sec. 3973.0307. AGREEMENTS; GRANTS. (a) As provided by
6 Chapter 375, Local Government Code, the district may make an
7 agreement with or accept a gift, grant, or loan from any person.

8 (b) The implementation of a project is a governmental
9 function or service for the purposes of Chapter 791, Government
10 Code.

11 Sec. 3973.0308. LAW ENFORCEMENT SERVICES. To protect the
12 public interest, the district may contract with a qualified party,
13 including the county, to provide law enforcement services in the
14 district.

15 Sec. 3973.0309. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
16 The district may join and pay dues to a charitable or nonprofit
17 organization that performs a service or provides an activity
18 consistent with the furtherance of a district purpose.

19 Sec. 3973.0310. ECONOMIC DEVELOPMENT. (a) The district
20 may engage in activities that accomplish the economic development
21 purposes of the district.

22 (b) The district may establish and provide for the
23 administration of one or more programs to promote state or local
24 economic development and to stimulate business and commercial
25 activity in the district, including programs to:

26 (1) make loans and grants of public money; and

27 (2) provide district personnel and services.

1 (c) The district may create economic development programs
2 and exercise the economic development powers provided to
3 municipalities by:

4 (1) Chapter 380, Local Government Code; and

5 (2) Subchapter A, Chapter 1509, Government Code.

6 Sec. 3973.0311. PARKING FACILITIES. (a) The district may
7 acquire, lease as lessor or lessee, construct, develop, own,
8 operate, and maintain parking facilities or a system of parking
9 facilities, including lots, garages, parking terminals, or other
10 structures or accommodations for parking motor vehicles off the
11 streets and related appurtenances.

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

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

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

21 Sec. 3973.0312. NO TOLL ROADS. The district may not
22 construct, acquire, maintain, or operate a toll road.

23 Sec. 3973.0313. RAIL FACILITIES. The district may
24 construct, acquire, improve, maintain, and operate rail facilities
25 and improvements in aid of those facilities.

26 Sec. 3973.0314. RURAL PUBLIC TRANSPORTATION POWERS. (a)
27 The district may provide and coordinate rural public transportation

1 in its territory in the manner provided by Sections 458.010 and
2 458.011, Transportation Code, for a rural transit district.

3 (b) Section 458.012(a), Transportation Code, does not apply
4 to the operations of the district under Subsection (a).

5 Sec. 3973.0315. ANNEXATION OR EXCLUSION OF LAND. (a) The
6 district may annex land as provided by Subchapter J, Chapter 49,
7 Water Code.

8 (b) The district may exclude land as provided by Subchapter
9 J, Chapter 49, Water Code. Section 375.044(b), Local Government
10 Code, does not apply to the district.

11 Sec. 3973.0316. DIVISION OF DISTRICT. (a) The district may
12 be divided into two or more new districts only if the district:

13 (1) has no outstanding bonded debt; and

14 (2) is not imposing ad valorem taxes.

15 (b) This chapter applies to any new district created by the
16 division of the district, and a new district has all the powers and
17 duties of the district.

18 (c) Any new district created by the division of the district
19 may, at the time the new district is created, contain only:

20 (1) land within the area described by Section 2 of the
21 Act enacting this chapter; or

22 (2) any land adjacent to the area described by Section
23 2 of the Act enacting this chapter if that adjacent land is:

24 (A) not within the extraterritorial jurisdiction
25 of a city; or

26 (B) within the extraterritorial jurisdiction of
27 a city and that adjacent land has been approved for inclusion in the

1 district under an ordinance or resolution adopted by the city
2 consenting to the inclusion.

3 (d) The board, on its own motion or on receipt of a petition
4 signed by the owner or owners of a majority of the assessed value of
5 the real property in the district, may adopt an order dividing the
6 district.

7 (e) The board may adopt an order dividing the district
8 before or after the date the board holds an election under Section
9 3973.0204 to elect the district's permanent directors.

10 (f) An order dividing the district must:

11 (1) name each new district;

12 (2) include the metes and bounds description of the
13 territory of each new district;

14 (3) appoint temporary directors for each new district;

15 and

16 (4) provide for the division of assets and liabilities
17 between or among the new districts.

18 (g) On or before the 30th day after the date of adoption of
19 an order dividing the district, the district shall file the order
20 with the Texas Commission on Environmental Quality and record the
21 order in the real property records of each county in which the
22 district is located.

23 (h) Any new district created by the division of the district
24 shall hold a permanent directors' election as required by Section
25 3973.0204.

26 (i) Municipal consent by a city is not required for the
27 creation of any new district created under this section.

1 (j) Any new district created by the division of the district
2 must hold an election as required by this chapter to obtain voter
3 approval before the district may impose a maintenance tax or issue
4 bonds payable wholly or partly from ad valorem taxes or sales and
5 use taxes.

6 (k) If the voters of a new district do not confirm the
7 creation of the new district, the assets, obligations, territory,
8 and governance of the new district revert to that of the original
9 district.

10 Sec. 3973.0317. NO EMINENT DOMAIN POWER. The district may
11 not exercise the power of eminent domain.

12 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

13 Sec. 3973.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The
14 board by resolution shall establish the number of directors'
15 signatures and the procedure required for a disbursement or
16 transfer of district money.

17 Sec. 3973.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.
18 The district may acquire, construct, finance, operate, or maintain
19 any improvement or service authorized under this chapter or Chapter
20 375, Local Government Code, using any money available to the
21 district.

22 Sec. 3973.0403. PETITION REQUIRED FOR FINANCING SERVICES
23 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
24 service or improvement project with assessments under this chapter
25 unless a written petition requesting that service or improvement
26 has been filed with the board.

27 (b) A petition filed under Subsection (a) must be signed by

1 the owners of a majority of the assessed value of real property in
2 the district subject to assessment according to the most recent
3 certified tax appraisal roll for the county.

4 Sec. 3973.0404. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
5 The board by resolution may impose and collect an assessment for any
6 purpose authorized by this chapter in all or any part of the
7 district.

8 (b) An assessment, a reassessment, or an assessment
9 resulting from an addition to or correction of the assessment roll
10 by the district, penalties and interest on an assessment or
11 reassessment, an expense of collection, and reasonable attorney's
12 fees incurred by the district:

13 (1) are a first and prior lien against the property
14 assessed;

15 (2) are superior to any other lien or claim other than
16 a lien or claim for county, school district, or municipal ad valorem
17 taxes; and

18 (3) are the personal liability of and a charge against
19 the owners of the property even if the owners are not named in the
20 assessment proceedings.

21 (c) The lien is effective from the date of the board's
22 resolution imposing the assessment until the date the assessment is
23 paid. The board may enforce the lien in the same manner that the
24 board may enforce an ad valorem tax lien against real property.

25 (d) The board may make a correction to or deletion from the
26 assessment roll that does not increase the amount of assessment of
27 any parcel of land without providing notice and holding a hearing in

1 the manner required for additional assessments.

2 Sec. 3973.0405. RESIDENTIAL PROPERTY NOT EXEMPT. Section
3 375.161, Local Government Code, does not apply to a tax authorized
4 or approved by the voters of the district or a required payment for
5 a service provided by the district, including water and sewer
6 services.

7 Sec. 3973.0406. COMPETITIVE BIDDING. Subchapter I, Chapter
8 49, Water Code, applies to the district. Sections 375.221 and
9 375.223, Local Government Code, do not apply to the district.

10 Sec. 3973.0407. TAX AND ASSESSMENT ABATEMENTS. The
11 district may designate reinvestment zones and may grant abatements
12 of district taxes or assessments on property in the zones.

13 SUBCHAPTER E. TAXES AND BONDS

14 Sec. 3973.0501. ELECTIONS REGARDING TAXES AND BONDS. (a)
15 The district may issue, without an election, bonds, notes, and
16 other obligations secured by:

17 (1) revenue other than ad valorem taxes or sales and
18 use taxes; or

19 (2) contract payments described by Section 3973.0503.

20 (b) The district must hold an election in the manner
21 provided by Subchapter L, Chapter 375, Local Government Code, to
22 obtain voter approval before the district may impose an ad valorem
23 tax or issue bonds payable from ad valorem taxes.

24 (c) Section 375.243, Local Government Code, does not apply
25 to the district.

26 (d) All or any part of any facilities or improvements that
27 may be acquired by a district by the issuance of its bonds may be

1 submitted as a single proposition or as several propositions to be
2 voted on at the election.

3 Sec. 3973.0502. OPERATION AND MAINTENANCE TAX. (a) If
4 authorized by a majority of the district voters voting at an
5 election held in accordance with Section 3973.0501, the district
6 may impose an operation and maintenance tax on taxable property in
7 the district in accordance with Section 49.107, Water Code, for any
8 district purpose, including to:

9 (1) maintain and operate the district;

10 (2) construct or acquire improvements; or

11 (3) provide a service.

12 (b) The board shall determine the tax rate. The rate may not
13 exceed the rate approved at the election.

14 (c) Section 49.107(h), Water Code, does not apply to the
15 district.

16 Sec. 3973.0503. CONTRACT TAXES. (a) In accordance with
17 Section 49.108, Water Code, the district may impose a tax other than
18 an operation and maintenance tax and use the revenue derived from
19 the tax to make payments under a contract after the provisions of
20 the contract have been approved by a majority of the district voters
21 voting at an election held for that purpose.

22 (b) A contract approved by the district voters may contain a
23 provision stating that the contract may be modified or amended by
24 the board without further voter approval.

25 Sec. 3973.0504. AUTHORITY TO BORROW MONEY AND TO ISSUE
26 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
27 terms determined by the board. Section 375.205, Local Government

1 Code, does not apply to a loan, line of credit, or other borrowing
2 from a bank or financial institution secured by revenue other than
3 ad valorem taxes.

4 (b) The district may issue bonds, notes, or other
5 obligations payable wholly or partly from ad valorem taxes,
6 assessments, impact fees, revenue, contract payments, grants, or
7 other district money, or any combination of those sources of money,
8 to pay for any authorized district purpose.

9 Sec. 3973.0505. TAXES FOR BONDS. At the time the district
10 issues bonds payable wholly or partly from ad valorem taxes, the
11 board shall provide for the annual imposition of a continuing
12 direct annual ad valorem tax, without limit as to rate or amount,
13 for each year that all or part of the bonds are outstanding as
14 required and in the manner provided by Sections 54.601 and 54.602,
15 Water Code.

16 Sec. 3973.0506. BONDS FOR ROAD PROJECTS. At the time of
17 issuance, the total principal amount of bonds or other obligations
18 issued or incurred to finance road projects and payable from ad
19 valorem taxes may not exceed one-fourth of the assessed value of the
20 real property in the district.

21 SUBCHAPTER F. SALES AND USE TAX

22 Sec. 3973.0601. APPLICABILITY OF CERTAIN TAX CODE
23 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
24 computation, administration, enforcement, and collection of the
25 sales and use tax authorized by this subchapter except to the extent
26 Chapter 321, Tax Code, is inconsistent with this chapter.

27 (b) A reference in Chapter 321, Tax Code, to a municipality

1 or the governing body of a municipality is a reference to the
2 district or the board, respectively.

3 Sec. 3973.0602. ELECTION; ADOPTION OF TAX. (a) The
4 district may adopt a sales and use tax if authorized by a majority
5 of the voters of the district voting at an election held for that
6 purpose.

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

11 (c) The ballot shall be printed to provide for voting for or
12 against the proposition: "Authorization of a sales and use tax in
13 the Tarkington Management District No. 1 of Liberty County at a
14 rate not to exceed ____ percent" (insert rate of one or more
15 increments of one-eighth of one percent).

16 Sec. 3973.0603. SALES AND USE TAX RATE. (a) On or after the
17 date the results are declared of an election held under Section
18 3973.0602, at which the voters approved imposition of the tax
19 authorized by this subchapter, the board shall determine and adopt
20 by resolution or order the initial rate of the tax, which must be in
21 one or more increments of one-eighth of one percent.

22 (b) After the election held under Section 3973.0602, the
23 board may increase or decrease the rate of the tax by one or more
24 increments of one-eighth of one percent.

25 (c) The initial rate of the tax or any rate resulting from
26 subsequent increases or decreases may not exceed the lesser of:

27 (1) the maximum rate authorized by the district voters

1 at the election held under Section 3973.0602; or

2 (2) a rate that, when added to the rates of all sales
3 and use taxes imposed by other political subdivisions with
4 territory in the district, would result in the maximum combined
5 rate prescribed by Section 321.101(f), Tax Code, at any location in
6 the district.

7 Sec. 3973.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
8 section applies to the district after a municipality annexes part
9 of the territory in the district and imposes the municipality's
10 sales and use tax in the annexed territory.

11 (b) If at the time of annexation the district has
12 outstanding debt or other obligations payable wholly or partly from
13 district sales and use tax revenue, Section 321.102(g), Tax Code,
14 applies to the district.

15 (c) If at the time of annexation the district does not have
16 outstanding debt or other obligations payable wholly or partly from
17 district sales and use tax revenue, the district may exclude the
18 annexed territory from the district, if the district has no
19 outstanding debt or other obligations payable from any source.

20 Sec. 3973.0605. NOTIFICATION OF RATE CHANGE. The board
21 shall notify the comptroller of any changes made to the tax rate
22 under this subchapter in the same manner the municipal secretary
23 provides notice to the comptroller under Section 321.405(b), Tax
24 Code.

25 Sec. 3973.0606. USE OF REVENUE. Revenue from the sales and
26 use tax imposed under this subchapter is for the use and benefit of
27 the district and may be used for any district purpose. The district

1 may pledge all or part of the revenue to the payment of bonds,
2 notes, or other obligations, and that pledge of revenue may be in
3 combination with other revenue, including tax revenue, available to
4 the district.

5 Sec. 3973.0607. ABOLITION OF TAX. (a) Except as provided
6 by Subsection (b), the board may abolish the tax imposed under this
7 subchapter without an election.

8 (b) The board may not abolish the tax imposed under this
9 subchapter if the district has outstanding debt secured by the tax,
10 and repayment of the debt would be impaired by the abolition of the
11 tax.

12 (c) If the board abolishes the tax, the board shall notify
13 the comptroller of that action in the same manner the municipal
14 secretary provides notice to the comptroller under Section
15 321.405(b), Tax Code.

16 (d) If the board abolishes the tax or decreases the tax rate
17 to zero, a new election to authorize a sales and use tax must be held
18 under Section 3973.0602 before the district may subsequently impose
19 the tax.

20 SUBCHAPTER G. DEFINED AREAS

21 Sec. 3973.0701. AUTHORITY TO ESTABLISH DEFINED AREAS OR
22 DESIGNATED PROPERTY. The district may define areas or designate
23 certain property of the district to pay for improvements,
24 facilities, or services that primarily benefit that area or
25 property and do not generally and directly benefit the district as a
26 whole.

27 Sec. 3973.0702. PROCEDURE FOR ELECTION. (a) Before the

1 district may impose an ad valorem tax or issue bonds payable from ad
2 valorem taxes of the defined area or designated property, the board
3 shall hold an election in the defined area or in the designated
4 property only.

5 (b) The board may submit the issues to the voters on the same
6 ballot to be used in another election.

7 Sec. 3973.0703. DECLARING RESULT AND ISSUING ORDER. (a) If
8 a majority of the voters voting at the election approve the
9 proposition or propositions, the board shall declare the results
10 and, by order, shall establish the defined area and describe it by
11 metes and bounds or designate the specific property.

12 (b) A court may not review the board's order except on the
13 ground of fraud, palpable error, or arbitrary and confiscatory
14 abuse of discretion.

15 Sec. 3973.0704. TAXES FOR SERVICES, IMPROVEMENTS, AND
16 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
17 approval and adoption of the order described by Section 3973.0703,
18 the district may apply separately, differently, equitably, and
19 specifically its taxing power and lien authority to the defined
20 area or designated property to provide money to construct,
21 administer, maintain, and operate services, improvements, and
22 facilities that primarily benefit the defined area or designated
23 property.

24 Sec. 3973.0705. ISSUANCE OF BONDS FOR DEFINED AREA OR
25 DESIGNATED PROPERTY. After the order under Section 3973.0703 is
26 adopted, the district may issue bonds to provide for any land,
27 improvements, facilities, plants, equipment, and appliances for

1 the defined area or designated property.

2 Sec. 3973.0706. ADDITION OR EXCLUSION OF LAND IN DEFINED
3 AREA. The district may add or exclude land from the defined areas
4 in the same manner the district may add or exclude land from the
5 district.

6 SECTION 2. The Tarkington Management District No. 1 of
7 Liberty County initially includes all territory contained in the
8 following area:

9 807.65 acres of land, situated in the Hugh Means Survey, Abstract
10 78, Liberty County, Texas, and being a part of that certain 1846.69
11 acre tract described in a Deed from Southland Timberlands V, L.P. to
12 Tarkington Realty, Ltd., recorded in Liberty County Clerk's File
13 2006008680, said 807.65 acres being more particularly described as
14 follows:

15 BEGINNING at a 3 inch by 3 inch concrete monument stamped "Kirby NWC
16 Hugh Means" found for the Northwest corner of the herein described
17 tract at the Northwest corner of the Hugh Means Survey, Abstract 78,
18 and the Northwest corner of said 1846.69 acre tract;

19 THENCE North 88 deg. 01 min. 32 sec. East, along the North line of
20 the Means Survey, being the North line of said 1846.69 acre tract, a
21 distance of 33.30 feet to a 6 inch by 6 inch concrete monument found
22 at the Southwest corner of the I. L. Hanson Survey, Abstract 282;

23 THENCE North 87 deg. 28 min. 03 sec. East, along the common line of
24 the Means Survey and the Hanson Survey, being the North line of said
25 1846.69 acre tract and the South line of the Alvin David Stetson
26 tract recorded in Clerk's File 2015023380, a distance of 3442.50
27 feet to a concrete monument stamped "Kirby 3-166" found at the

1 Southeast corner of the Hanson Survey and the Southwest corner of
2 the John R. Faulk Survey, Abstract 34;
3 THENCE North 86 deg. 55 min. 34 sec. East, along the common lines of
4 the Means Survey and the Faulk Survey, being the North line of said
5 1846.69 acre tract and the South line of the Jorge Lopez tract
6 described in Clerk's File 2007014457, a distance of 1787.22 feet to
7 a 3/4 inch iron rod found for the Northeast corner of the herein
8 described tract at the Northeast corner of said 1846.69 acre tract,
9 said point being in the West right of way line of State Highway 321
10 (100.0 feet wide at this point);
11 THENCE South 22 deg. 01 min. 29 sec. East, along the West
12 right-of-way line of State Highway 321 and the East line of said
13 1846.69 acre tract, a distance of 2084.38 feet to a concrete
14 monument found at the P.C. of a curve to the left;
15 THENCE along the West right-of-way line of State Highway 321
16 (right-of-way varies) and the East line of said 1846.69 acre tract,
17 following said curve to the left having a Radius of 5779.59 feet,
18 Central Angle of a 01 deg. 35 min. 23 sec., Chord Bearing and
19 Distance of South 22 deg. 51 min. 20 sec. East - 160.35 feet, for an
20 arc distance of 160.36 feet to a concrete monument found at the P.T.
21 of said curve;
22 THENCE South 18 deg. 29 min. East, along the West right-of-way line
23 of State Highway 321 and the East line of said 1846.69 acre tract, a
24 distance of 101.28 feet to a concrete monument found at the P.C. of
25 a curve left;
26 THENCE along the West right-of-way line of State Highway 21
27 (right-of-way varies) and the East line of said 1846.69 acre tract,

H.B. No. 4653

1 following said curve to the left having a Radius of 5789.59 feet,
2 Central Angle of 10 deg. 49 min. 44 sec., Chord Bearing and a
3 Distance of South 30 deg. 03 min. 47 sec. East - 1092.60 feet, for an
4 arc distance of 1094.23 feet to a concrete monument found at the
5 P.T. of said curve;

6 THENCE South 35 deg. 28 min. 53 sec. East, along the West
7 right-of-way line of State Highway 321 (right-of-way 110.0 feet
8 wide at this point) and the East line of said 1846.69 acre tract, a
9 distance of 2708.35 feet to a 1/2 inch iron rod found for the
10 Southeast corner of the herein described tract at the upper
11 Southeast corner of said 1846.69 acre tract, the Northeast corner
12 of a 6.87 acre Save and Except Tract described in the a deed to
13 Southland Timberlands V, L.P. recorded in Clerk's File 2003009246;

14 THENCE South 87 deg. 23 min. 32 sec. West, along the North line of
15 said 6.87 acre Save and Except Tract, a distance of 3334.49 feet to
16 a fence post found at the Northwest corner of said 6.87 acre tract
17 and the upper Northeast corner of a 638.36 acre tract described in a
18 deed to Roli Holdings, L.P. recorded in Clerk's File 2013010569;

19 THENCE South 87 deg. 23 min. 05 sec. West, along the North line of
20 said 638.36 acre tract, at 4683.36 feet pass a 5/8 inch iron rod
21 capped "RPLS 5815" found, and continue for a total distance of
22 4684.17 feet to a point marking the Southwest corner of the herein
23 described tract at the Northwest corner of said 638.36 acre tract,
24 said point being in the West line of the Means Survey, the East line
25 of the H. & T.C. R.R. Company Survey No. 150, Abstract 833, the West
26 line of said 1846.69 acre tract, and the East line of the Joseph H.
27 Ceaser, Jr. tract describe in Clerk's File 2007008678;

1 THENCE North 03 deg. 40 min. 53 sec. West, along the common line of
2 the Means Survey and the H.&T.C. R.R. Company Survey No. 150, being
3 the West line of said 1846.69 acre tract and the East line of the
4 Ceaser tract, a distance of 1305.65 feet to a 3 inch by 3 inch
5 concrete monument stamped "Kirby SEc H&TC WL H Means" found at the
6 Northeast corner of the H.&T.C. R.R. Company Survey No. 150, the
7 Southeast corner of the H. & T.C. R.R. Company Survey No. 149,
8 Abstract 232, the Northeast corner of the Ceaser tract, and the
9 Southeast corner of the William B. Krizak tract described in
10 Clerk's File 2009017836;

11 THENCE North 02 deg. 11 min. 16 sec. West, along the common line of
12 the Means Survey and the H.&T.C. R.R. Company Survey No. 149, being
13 the West line of said 1846.69 acre tract and the East line of the
14 Krizak tract, the Heriberto Cisneros tract described in Clerk's
15 File 2009009858, The Heriberto Cisneros tract described in Clerk's
16 File 2017006032, and the Johnnie Hooper tract described in Clerk's
17 File 2016002265, at 2138.84 feet pass a 1/2 inch iron rod found at
18 the Northeast corner of the Hooper tract and the Southeast corner of
19 a tract described in Clerk's File 2018001388, and continue along
20 the East line of said tract and tracts described in Clerk's File
21 2014013993, Clerk's File 2013003296, Clerk's File 2013010371,
22 Clerk's File 2012002326; Clerk's File 2016007673; Clerk's File
23 2015007509; Clerk's File 2012012985; Clerk's File 2009007977, and
24 Clerk's File 2010011389 for a total distance of 4143.56 feet to the
25 PLACE OF BEGINNING and containing 807.65 acres of land.

26 SECTION 3. (a) The legal notice of the intention to
27 introduce this Act, setting forth the general substance of this

1 Act, has been published as provided by law, and the notice and a
2 copy of this Act have been furnished to all persons, agencies,
3 officials, or entities to which they are required to be furnished
4 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
5 Government Code.

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

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

13 (d) The general law relating to consent by political
14 subdivisions to the creation of districts with conservation,
15 reclamation, and road powers and the inclusion of land in those
16 districts has been complied with.

17 (e) All requirements of the constitution and laws of this
18 state and the rules and procedures of the legislature with respect
19 to the notice, introduction, and passage of this Act have been
20 fulfilled and accomplished.

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

ADOPTED

MAY 22 2019

Leta Spaw
Secretary of the Senate

By: Bailes/Nichols

H.B. No. 4653

Substitute the following for H.B. No. 4653:

By: *C. Schmidt*

C.S. .B. No.

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation of Tarkington Management District No. 1 of
3 Liberty County; providing authority to issue bonds; providing
4 authority to impose assessments, fees, or taxes.

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

6 SECTION 1. Subtitle C, Title 4, Special District Local Laws
7 Code, is amended by adding Chapter 3973 to read as follows:

8 CHAPTER 3973. TARKINGTON MANAGEMENT DISTRICT NO. 1 OF LIBERTY
9 COUNTY

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 3973.0101. DEFINITIONS. In this chapter:

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

13 (2) "County" means Liberty County.

14 (3) "Director" means a board member.

15 (4) "District" means the Tarkington Management
16 District No. 1 of Liberty County.

17 Sec. 3973.0102. NATURE OF DISTRICT. The district is a
18 special district created under Section 59, Article XVI, Texas
19 Constitution.

20 Sec. 3973.0103. PURPOSE; DECLARATION OF INTENT. (a) The
21 creation of the district is essential to accomplish the purposes of
22 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
23 Texas Constitution, and other public purposes stated in this
24 chapter. By creating the district and in authorizing the county and

1 other political subdivisions to contract with the district, the
2 legislature has established a program to accomplish the public
3 purposes set out in Section 52-a, Article III, Texas Constitution.

4 (b) The creation of the district is necessary to promote,
5 develop, encourage, and maintain employment, commerce,
6 transportation, housing, tourism, recreation, the arts,
7 entertainment, economic development, safety, and the public
8 welfare in the district.

9 (c) This chapter and the creation of the district may not be
10 interpreted to relieve the county from providing the level of
11 services provided as of the effective date of the Act enacting this
12 chapter to the area in the district. The district is created to
13 supplement and not to supplant county services provided in the
14 district.

15 Sec. 3973.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

16 (a) The district is created to serve a public use and benefit.

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

22 (c) The creation of the district is in the public interest
23 and is essential to further the public purposes of:

- 24 (1) developing and diversifying the economy of the
25 state;
- 26 (2) eliminating unemployment and underemployment; and
- 27 (3) developing or expanding transportation and

1 commerce.

2 (d) The district will:

3 (1) promote the health, safety, and general welfare of
4 residents, employers, potential employees, employees, visitors,
5 and consumers in the district, and of the public;

6 (2) provide needed funding for the district to
7 preserve, maintain, and enhance the economic health and vitality of
8 the district territory as a community and business center;

9 (3) promote the health, safety, welfare, and enjoyment
10 of the public by providing pedestrian ways and by landscaping and
11 developing certain areas in the district, which are necessary for
12 the restoration, preservation, and enhancement of scenic beauty;
13 and

14 (4) provide for water, wastewater, drainage, road,
15 transportation, and recreational facilities for the district.

16 (e) Pedestrian ways along or across a street, whether at
17 grade or above or below the surface, and street lighting, street
18 landscaping, parking, and street art objects are parts of and
19 necessary components of a street and are considered to be a street
20 or road improvement.

21 (f) The district will not act as the agent or
22 instrumentality of any private interest even though the district
23 will benefit many private interests as well as the public.

24 Sec. 3973.0105. INITIAL DISTRICT TERRITORY. (a) The
25 district is initially composed of the territory described by
26 Section 2 of the Act enacting this chapter.

27 (b) The boundaries and field notes contained in Section 2 of

1 the Act enacting this chapter form a closure. A mistake in the
2 field notes or in copying the field notes in the legislative process
3 does not affect the district's:

- 4 (1) organization, existence, or validity;
- 5 (2) right to issue any type of bonds for the purposes
6 for which the district is created or to pay the principal of and
7 interest on the bonds;
- 8 (3) right to impose or collect an assessment or tax; or
- 9 (4) legality or operation.

10 Sec. 3973.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
11 All or any part of the area of the district is eligible to be
12 included in:

- 13 (1) a tax increment reinvestment zone created under
14 Chapter 311, Tax Code;
- 15 (2) a tax abatement reinvestment zone created under
16 Chapter 312, Tax Code;
- 17 (3) an enterprise zone created under Chapter 2303,
18 Government Code; or
- 19 (4) an industrial district created under Chapter 42,
20 Local Government Code.

21 Sec. 3973.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
22 DISTRICTS LAW. Except as otherwise provided by this chapter,
23 Chapter 375, Local Government Code, applies to the district.

24 Sec. 3973.0108. CONSTRUCTION OF CHAPTER. This chapter
25 shall be liberally construed in conformity with the findings and
26 purposes stated in this chapter.

27 Sec. 3973.0109. CONFLICTS OF LAW. This chapter prevails

1 over any provision of general law, including a provision of Chapter
2 375, Local Government Code, or Chapter 49, Water Code, that is in
3 conflict or inconsistent with this chapter.

4 SUBCHAPTER B. BOARD OF DIRECTORS

5 Sec. 3973.0201. GOVERNING BODY; TERMS. (a) The district is
6 governed by a board of five directors elected or appointed as
7 provided by this chapter and Subchapter D, Chapter 49, Water Code.

8 (b) Except as provided by Section 3973.0204, directors
9 serve staggered four-year terms.

10 Sec. 3973.0202. QUORUM. For purposes of determining the
11 requirements for a quorum of the board, the following are not
12 counted:

13 (1) a board position vacant for any reason, including
14 death, resignation, or disqualification; or

15 (2) a director who is abstaining from participation in
16 a vote because of a conflict of interest.

17 Sec. 3973.0203. COMPENSATION. A director is entitled to
18 receive fees of office and reimbursement for actual expenses as
19 provided by Section 49.060, Water Code. Sections 375.069 and
20 375.070, Local Government Code, do not apply to the board.

21 Sec. 3973.0204. TEMPORARY DIRECTORS. (a) The temporary
22 board consists of:

23 (1) Gready Hunter;

24 (2) Kevin Loeffler;

25 (3) Rusty Campbell;

26 (4) Greg Eknoyan; and

27 (5) Gordan Richardson.

1 (b) The temporary or successor temporary directors shall
2 hold an election to elect five permanent directors as provided by
3 Section 49.102, Water Code.

4 (c) Temporary directors serve until the earlier of:

5 (1) the date permanent directors are elected under
6 Subsection (b); or

7 (2) the fourth anniversary of the effective date of
8 the Act creating this chapter.

9 (d) If permanent directors have not been elected under
10 Subsection (b) and the terms of the temporary directors have
11 expired, successor temporary directors shall be appointed or
12 reappointed as provided by Subsection (e) to serve terms that
13 expire on the earlier of:

14 (1) the date permanent directors are elected under
15 Subsection (b); or

16 (2) the fourth anniversary of the date of the
17 appointment or reappointment.

18 (e) If Subsection (d) applies, the owner or owners of a
19 majority of the assessed value of the real property in the district
20 according to the most recent certified tax appraisal roll for the
21 county may submit a petition to the Texas Commission on
22 Environmental Quality requesting that the commission appoint as
23 successor temporary directors the five persons named in the
24 petition. The commission shall appoint as successor temporary
25 directors the five persons named in the petition.

26 SUBCHAPTER C. POWERS AND DUTIES

27 Sec. 3973.0301. GENERAL POWERS AND DUTIES. The district

1 has the powers and duties necessary to accomplish the purposes for
2 which the district is created.

3 Sec. 3973.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
4 The district may provide, design, construct, acquire, improve,
5 relocate, operate, maintain, or finance an improvement project or
6 service using money available to the district, or contract with a
7 governmental or private entity to provide, design, construct,
8 acquire, improve, relocate, operate, maintain, or finance an
9 improvement project or service authorized under this chapter or
10 under Chapter 375, Local Government Code.

11 (b) An improvement project described by Subsection (a) may
12 be located inside or outside the district.

13 Sec. 3973.0303. AUTHORITY FOR ROAD PROJECTS. Under Section
14 52, Article III, Texas Constitution, the district may own, operate,
15 maintain, design, acquire, construct, finance, issue bonds, notes,
16 or other obligations for, improve, and convey to this state, a
17 county, or a municipality for ownership, operation, and maintenance
18 macadamized, graveled, or paved roads or improvements, including
19 storm drainage, in aid of those roads.

20 Sec. 3973.0304. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

21 (a) The district may convey a road project authorized by Section
22 3973.0303 to:

23 (1) a municipality or county that will operate and
24 maintain the road if the municipality or county has approved the
25 plans and specifications of the road project; or

26 (2) the state if the state will operate and maintain
27 the road and the Texas Transportation Commission has approved the

1 plans and specifications of the road project.

2 (b) Except as provided by Subsection (c), the district shall
3 operate and maintain a road project authorized by Section 3973.0303
4 that the district implements and does not convey to a municipality,
5 a county, or this state under Subsection (a).

6 (c) The district may agree in writing with a municipality, a
7 county, or this state to assign operation and maintenance duties to
8 the district, the municipality, the county, or this state in a
9 manner other than the manner described in Subsections (a) and (b).

10 Sec. 3973.0305. NONPROFIT CORPORATION. (a) The board by
11 resolution may authorize the creation of a nonprofit corporation to
12 assist and act for the district in implementing a project or
13 providing a service authorized by this chapter.

14 (b) The nonprofit corporation:

15 (1) has each power of and is considered to be a local
16 government corporation created under Subchapter D, Chapter 431,
17 Transportation Code; and

18 (2) may implement any project and provide any service
19 authorized by this chapter.

20 (c) The board shall appoint the board of directors of the
21 nonprofit corporation. The board of directors of the nonprofit
22 corporation shall serve in the same manner as the board of directors
23 of a local government corporation created under Subchapter D,
24 Chapter 431, Transportation Code, except that a board member is not
25 required to reside in the district.

26 Sec. 3973.0306. AGREEMENTS; GRANTS. (a) As provided by
27 Chapter 375, Local Government Code, the district may make an

1 agreement with or accept a gift, grant, or loan from any person.

2 (b) The implementation of a project is a governmental
3 function or service for the purposes of Chapter 791, Government
4 Code.

5 Sec. 3973.0307. LAW ENFORCEMENT SERVICES. To protect the
6 public interest, the district may contract with a qualified party,
7 including the county, to provide law enforcement services in the
8 district.

9 Sec. 3973.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
10 The district may join and pay dues to a charitable or nonprofit
11 organization that performs a service or provides an activity
12 consistent with the furtherance of a district purpose.

13 Sec. 3973.0309. ECONOMIC DEVELOPMENT. (a) The district
14 may engage in activities that accomplish the economic development
15 purposes of the district.

16 (b) The district may establish and provide for the
17 administration of one or more programs to promote state or local
18 economic development and to stimulate business and commercial
19 activity in the district, including programs to:

20 (1) make loans and grants of public money; and

21 (2) provide district personnel and services.

22 (c) The district may create economic development programs
23 and exercise the economic development powers provided to
24 municipalities by:

25 (1) Chapter 380, Local Government Code; and

26 (2) Subchapter A, Chapter 1509, Government Code.

27 Sec. 3973.0310. PARKING FACILITIES. (a) The district may

1 acquire, lease as lessor or lessee, construct, develop, own,
2 operate, and maintain parking facilities or a system of parking
3 facilities, including lots, garages, parking terminals, or other
4 structures or accommodations for parking motor vehicles off the
5 streets and related appurtenances.

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

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

13 (d) The development and operation of the district's parking
14 facilities may be considered an economic development program.

15 Sec. 3973.0311. NO TOLL ROADS. The district may not
16 construct, acquire, maintain, or operate a toll road.

17 Sec. 3973.0312. RAIL FACILITIES. The district may
18 construct, acquire, improve, maintain, and operate rail facilities
19 and improvements in aid of those facilities.

20 Sec. 3973.0313. ANNEXATION OR EXCLUSION OF LAND. (a) The
21 district may annex land as provided by Subchapter J, Chapter 49,
22 Water Code.

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

26 Sec. 3973.0314. DIVISION OF DISTRICT. (a) The district may
27 be divided into two or more new districts only if the district:

1 (1) has no outstanding bonded debt; and

2 (2) is not imposing ad valorem taxes.

3 (b) This chapter applies to any new district created by the
4 division of the district, and a new district has all the powers and
5 duties of the district.

6 (c) Any new district created by the division of the district
7 may, at the time the new district is created, contain only:

8 (1) land within the area described by Section 2 of the
9 Act enacting this chapter; or

10 (2) any land adjacent to the area described by Section
11 2 of the Act enacting this chapter if that adjacent land is:

12 (A) not within the extraterritorial jurisdiction
13 of a city; or

14 (B) within the extraterritorial jurisdiction of
15 a city and that adjacent land has been approved for inclusion in the
16 district under an ordinance or resolution adopted by the city
17 consenting to the inclusion.

18 (d) The board, on its own motion or on receipt of a petition
19 signed by the owner or owners of a majority of the assessed value of
20 the real property in the district, may adopt an order dividing the
21 district.

22 (e) The board may adopt an order dividing the district
23 before or after the date the board holds an election under Section
24 3973.0204 to elect the district's permanent directors.

25 (f) An order dividing the district must:

26 (1) name each new district;

27 (2) include the metes and bounds description of the

1 territory of each new district;

2 (3) appoint temporary directors for each new district;

3 and

4 (4) provide for the division of assets and liabilities
5 between or among the new districts.

6 (g) On or before the 30th day after the date of adoption of
7 an order dividing the district, the district shall file the order
8 with the Texas Commission on Environmental Quality and record the
9 order in the real property records of each county in which the
10 district is located.

11 (h) Any new district created by the division of the district
12 shall hold a permanent directors' election as required by Section
13 3973.0204.

14 (i) Municipal consent by a city is not required for the
15 creation of any new district created under this section.

16 (j) Any new district created by the division of the district
17 must hold an election as required by this chapter to obtain voter
18 approval before the district may impose a maintenance tax or issue
19 bonds payable wholly or partly from ad valorem taxes or sales and
20 use taxes.

21 (k) If the voters of a new district do not confirm the
22 creation of the new district, the assets, obligations, territory,
23 and governance of the new district revert to that of the original
24 district.

25 Sec. 3973.0315. NO EMINENT DOMAIN POWER. The district may
26 not exercise the power of eminent domain.

1 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

2 Sec. 3973.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The
3 board by resolution shall establish the number of directors'
4 signatures and the procedure required for a disbursement or
5 transfer of district money.

6 Sec. 3973.0402. MONEY USED FOR IMPROVEMENTS OR SERVICES.
7 The district may acquire, construct, finance, operate, or maintain
8 any improvement or service authorized under this chapter or Chapter
9 375, Local Government Code, using any money available to the
10 district.

11 Sec. 3973.0403. PETITION REQUIRED FOR FINANCING SERVICES
12 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
13 service or improvement project with assessments under this chapter
14 unless a written petition requesting that service or improvement
15 has been filed with the board.

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

20 Sec. 3973.0404. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
21 The board by resolution may impose and collect an assessment for any
22 purpose authorized by this chapter in all or any part of the
23 district.

24 (b) An assessment, a reassessment, or an assessment
25 resulting from an addition to or correction of the assessment roll
26 by the district, penalties and interest on an assessment or
27 reassessment, an expense of collection, and reasonable attorney's

1 fees incurred by the district:

2 (1) are a first and prior lien against the property
3 assessed;

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

7 (3) are the personal liability of and a charge against
8 the owners of the property even if the owners are not named in the
9 assessment proceedings.

10 (c) The lien is effective from the date of the board's
11 resolution imposing the assessment until the date the assessment is
12 paid. The board may enforce the lien in the same manner that the
13 board may enforce an ad valorem tax lien against real property.

14 (d) The board may make a correction to or deletion from the
15 assessment roll that does not increase the amount of assessment of
16 any parcel of land without providing notice and holding a hearing in
17 the manner required for additional assessments.

18 Sec. 3973.0405. RESIDENTIAL PROPERTY NOT EXEMPT. Section
19 375.161, Local Government Code, does not apply to a tax authorized
20 or approved by the voters of the district or a required payment for
21 a service provided by the district, including water and sewer
22 services.

23 Sec. 3973.0406. TAX AND ASSESSMENT ABATEMENTS. The
24 district may designate reinvestment zones and may grant abatements
25 of district taxes or assessments on property in the zones.

26 SUBCHAPTER E. TAXES AND BONDS

27 Sec. 3973.0501. ELECTIONS REGARDING TAXES AND BONDS. (a)

1 The district may issue, without an election, bonds, notes, and
2 other obligations secured by:

3 (1) revenue other than ad valorem taxes or sales and
4 use taxes; or

5 (2) contract payments described by Section 3973.0503.

6 (b) The district must hold an election in the manner
7 provided by Subchapter L, Chapter 375, Local Government Code, to
8 obtain voter approval before the district may impose an ad valorem
9 tax or issue bonds payable from ad valorem taxes.

10 (c) Section 375.243, Local Government Code, does not apply
11 to the district.

12 (d) All or any part of any facilities or improvements that
13 may be acquired by a district by the issuance of its bonds may be
14 submitted as a single proposition or as several propositions to be
15 voted on at the election.

16 Sec. 3973.0502. OPERATION AND MAINTENANCE TAX. (a) If
17 authorized by a majority of the district voters voting at an
18 election held in accordance with Section 3973.0501, the district
19 may impose an operation and maintenance tax on taxable property in
20 the district in accordance with Section 49.107, Water Code, for any
21 district purpose, including to:

22 (1) maintain and operate the district;

23 (2) construct or acquire improvements; or

24 (3) provide a service.

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

27 (c) Section 49.107(h), Water Code, does not apply to the

1 district.

2 Sec. 3973.0503. CONTRACT TAXES. (a) In accordance with
3 Section 49.108, Water Code, the district may impose a tax other than
4 an operation and maintenance tax and use the revenue derived from
5 the tax to make payments under a contract after the provisions of
6 the contract have been approved by a majority of the district voters
7 voting at an election held for that purpose.

8 (b) A contract approved by the district voters may contain a
9 provision stating that the contract may be modified or amended by
10 the board without further voter approval.

11 Sec. 3973.0504. AUTHORITY TO BORROW MONEY AND TO ISSUE
12 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
13 terms determined by the board. Section 375.205, Local Government
14 Code, does not apply to a loan, line of credit, or other borrowing
15 from a bank or financial institution secured by revenue other than
16 ad valorem taxes.

17 (b) The district may issue bonds, notes, or other
18 obligations payable wholly or partly from ad valorem taxes,
19 assessments, impact fees, revenue, contract payments, grants, or
20 other district money, or any combination of those sources of money,
21 to pay for any authorized district purpose.

22 Sec. 3973.0505. TAXES FOR BONDS. At the time the district
23 issues bonds payable wholly or partly from ad valorem taxes, the
24 board shall provide for the annual imposition of a continuing
25 direct annual ad valorem tax, without limit as to rate or amount,
26 for each year that all or part of the bonds are outstanding as
27 required and in the manner provided by Sections 54.601 and 54.602,

1 Water Code.

2 Sec. 3973.0506. BONDS FOR ROAD PROJECTS. At the time of
3 issuance, the total principal amount of bonds or other obligations
4 issued or incurred to finance road projects and payable from ad
5 valorem taxes may not exceed one-fourth of the assessed value of the
6 real property in the district.

7 SUBCHAPTER F. SALES AND USE TAX

8 Sec. 3973.0601. APPLICABILITY OF CERTAIN TAX CODE
9 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
10 computation, administration, enforcement, and collection of the
11 sales and use tax authorized by this subchapter except to the extent
12 Chapter 321, Tax Code, is inconsistent with this chapter.

13 (b) A reference in Chapter 321, Tax Code, to a municipality
14 or the governing body of a municipality is a reference to the
15 district or the board, respectively.

16 Sec. 3973.0602. ELECTION; ADOPTION OF TAX. (a) The
17 district may adopt a sales and use tax if authorized by a majority
18 of the voters of the district voting at an election held for that
19 purpose.

20 (b) The board by order may call an election to authorize the
21 adoption of the sales and use tax. The election may be held on any
22 uniform election date and in conjunction with any other district
23 election.

24 (c) The ballot shall be printed to provide for voting for or
25 against the proposition: "Authorization of a sales and use tax in
26 the Tarkington Management District No. 1 of Liberty County at a
27 rate not to exceed ____ percent" (insert rate of one or more

1 increments of one-eighth of one percent).

2 Sec. 3973.0603. SALES AND USE TAX RATE. (a) On or after the
3 date the results are declared of an election held under Section
4 3973.0602, at which the voters approved imposition of the tax
5 authorized by this subchapter, the board shall determine and adopt
6 by resolution or order the initial rate of the tax, which must be in
7 one or more increments of one-eighth of one percent.

8 (b) After the election held under Section 3973.0602, the
9 board may increase or decrease the rate of the tax by one or more
10 increments of one-eighth of one percent.

11 (c) The initial rate of the tax or any rate resulting from
12 subsequent increases or decreases may not exceed the lesser of:

13 (1) the maximum rate authorized by the district voters
14 at the election held under Section 3973.0602; or

15 (2) a rate that, when added to the rates of all sales
16 and use taxes imposed by other political subdivisions with
17 territory in the district, would result in the maximum combined
18 rate prescribed by Section 321.101(f), Tax Code, at any location in
19 the district.

20 Sec. 3973.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
21 section applies to the district after a municipality annexes part
22 of the territory in the district and imposes the municipality's
23 sales and use tax in the annexed territory.

24 (b) If at the time of annexation the district has
25 outstanding debt or other obligations payable wholly or partly from
26 district sales and use tax revenue, Section 321.102(g), Tax Code,
27 applies to the district.

1 (c) If at the time of annexation the district does not have
2 outstanding debt or other obligations payable wholly or partly from
3 district sales and use tax revenue, the district may exclude the
4 annexed territory from the district, if the district has no
5 outstanding debt or other obligations payable from any source.

6 Sec. 3973.0605. NOTIFICATION OF RATE CHANGE. The board
7 shall notify the comptroller of any changes made to the tax rate
8 under this subchapter in the same manner the municipal secretary
9 provides notice to the comptroller under Section 321.405(b), Tax
10 Code.

11 Sec. 3973.0606. USE OF REVENUE. Revenue from the sales and
12 use tax imposed under this subchapter is for the use and benefit of
13 the district and may be used for any district purpose. The district
14 may pledge all or part of the revenue to the payment of bonds,
15 notes, or other obligations, and that pledge of revenue may be in
16 combination with other revenue, including tax revenue, available to
17 the district.

18 Sec. 3973.0607. ABOLITION OF TAX. (a) Except as provided
19 by Subsection (b), the board may abolish the tax imposed under this
20 subchapter without an election.

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

25 (c) If the board abolishes the tax, the board shall notify
26 the comptroller of that action in the same manner the municipal
27 secretary provides notice to the comptroller under Section

1 321.405(b), Tax Code.

2 (d) If the board abolishes the tax or decreases the tax rate
3 to zero, a new election to authorize a sales and use tax must be held
4 under Section 3973.0602 before the district may subsequently impose
5 the tax.

6 SUBCHAPTER G. DEFINED AREAS

7 Sec. 3973.0701. AUTHORITY TO ESTABLISH DEFINED AREAS OR
8 DESIGNATED PROPERTY. The district may define areas or designate
9 certain property of the district to pay for improvements,
10 facilities, or services that primarily benefit that area or
11 property and do not generally and directly benefit the district as a
12 whole.

13 Sec. 3973.0702. PROCEDURE FOR ELECTION. (a) Before the
14 district may impose an ad valorem tax or issue bonds payable from ad
15 valorem taxes of the defined area or designated property, the board
16 shall hold an election in the defined area or in the designated
17 property only.

18 (b) The board may submit the issues to the voters on the same
19 ballot to be used in another election.

20 Sec. 3973.0703. DECLARING RESULT AND ISSUING ORDER. (a) If
21 a majority of the voters voting at the election approve the
22 proposition or propositions, the board shall declare the results
23 and, by order, shall establish the defined area and describe it by
24 metes and bounds or designate the specific property.

25 (b) A court may not review the board's order except on the
26 ground of fraud, palpable error, or arbitrary and confiscatory
27 abuse of discretion.

1 Sec. 3973.0704. TAXES FOR SERVICES, IMPROVEMENTS, AND
2 FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter
3 approval and adoption of the order described by Section 3973.0703,
4 the district may apply separately, differently, equitably, and
5 specifically its taxing power and lien authority to the defined
6 area or designated property to provide money to construct,
7 administer, maintain, and operate services, improvements, and
8 facilities that primarily benefit the defined area or designated
9 property.

10 Sec. 3973.0705. ISSUANCE OF BONDS FOR DEFINED AREA OR
11 DESIGNATED PROPERTY. After the order under Section 3973.0703 is
12 adopted, the district may issue bonds to provide for any land,
13 improvements, facilities, plants, equipment, and appliances for
14 the defined area or designated property.

15 Sec. 3973.0706. ADDITION OR EXCLUSION OF LAND IN DEFINED
16 AREA. The district may add or exclude land from the defined areas
17 in the same manner the district may add or exclude land from the
18 district.

19 SECTION 2. The Tarkington Management District No. 1 of
20 Liberty County initially includes all territory contained in the
21 following area:

22 807.65 acres of land, situated in the Hugh Means Survey, Abstract
23 78, Liberty County, Texas, and being a part of that certain 1846.69
24 acre tract described in a Deed from Southland Timberlands V, L.P. to
25 Tarkington Realty, Ltd., recorded in Liberty County Clerk's File
26 2006008680, said 807.65 acres being more particularly described as
27 follows:

1 BEGINNING at a 3 inch by 3 inch concrete monument stamped "Kirby NWC
2 Hugh Means" found for the Northwest corner of the herein described
3 tract at the Northwest corner of the Hugh Means Survey, Abstract 78,
4 and the Northwest corner of said 1846.69 acre tract;
5 THENCE North 88 deg. 01 min. 32 sec. East, along the North line of
6 the Means Survey, being the North line of said 1846.69 acre tract, a
7 distance of 33.30 feet to a 6 inch by 6 inch concrete monument found
8 at the Southwest corner of the I. L. Hanson Survey, Abstract 282;
9 THENCE North 87 deg. 28 min. 03 sec. East, along the common line of
10 the Means Survey and the Hanson Survey, being the North line of said
11 1846.69 acre tract and the South line of the Alvin David Stetson
12 tract recorded in Clerk's File 2015023380, a distance of 3442.50
13 feet to a concrete monument stamped "Kirby 3-166" found at the
14 Southeast corner of the Hanson Survey and the Southwest corner of
15 the John R. Faulk Survey, Abstract 34;
16 THENCE North 86 deg. 55 min. 34 sec. East, along the common lines of
17 the Means Survey and the Faulk Survey, being the North line of said
18 1846.69 acre tract and the South line of the Jorge Lopez tract
19 described in Clerk's File 2007014457, a distance of 1787.22 feet to
20 a 3/4 inch iron rod found for the Northeast corner of the herein
21 described tract at the Northeast corner of said 1846.69 acre tract,
22 said point being in the West right of way line of State Highway 321
23 (100.0 feet wide at this point);
24 THENCE South 22 deg. 01 min. 29 sec. East, along the West
25 right-of-way line of State Highway 321 and the East line of said
26 1846.69 acre tract, a distance of 2084.38 feet to a concrete
27 monument found at the P.C. of a curve to the left;

1 THENCE along the West right-of-way line of State Highway 321
2 (right-of-way varies) and the East line of said 1846.69 acre tract,
3 following said curve to the left having a Radius of 5779.59 feet,
4 Central Angle of a 01 deg. 35 min. 23 sec., Chord Bearing and
5 Distance of South 22 deg. 51 min. 20 sec. East - 160.35 feet, for an
6 arc distance of 160.36 feet to a concrete monument found at the P.T.
7 of said curve;
8 THENCE South 18 deg. 29 min. East, along the West right-of-way line
9 of State Highway 321 and the East line of said 1846.69 acre tract, a
10 distance of 101.28 feet to a concrete monument found at the P.C. of
11 a curve left;
12 THENCE along the West right-of-way line of State Highway 21
13 (right-of-way varies) and the East line of said 1846.69 acre tract,
14 following said curve to the left having a Radius of 5789.59 feet,
15 Central Angle of 10 deg. 49 min. 44 sec., Chord Bearing and a
16 Distance of South 30 deg. 03 min. 47 sec. East - 1092.60 feet, for an
17 arc distance of 1094.23 feet to a concrete monument found at the
18 P.T. of said curve;
19 THENCE South 35 deg. 28 min. 53 sec. East, along the West
20 right-of-way line of State Highway 321 (right-of-way 110.0 feet
21 wide at this point) and the East line of said 1846.69 acre tract, a
22 distance of 2708.35 feet to a 1/2 inch iron rod found for the
23 Southeast corner of the herein described tract at the upper
24 Southeast corner of said 1846.69 acre tract, the Northeast corner
25 of a 6.87 acre Save and Except Tract described in the a deed to
26 Southland Timberlands V, L.P. recorded in Clerk's File 2003009246;
27 THENCE South 87 deg. 23 min. 32 sec. West, along the North line of

1 said 6.87 acre Save and Except Tract, a distance of 3334.49 feet to
2 a fence post found at the Northwest corner of said 6.87 acre tract
3 and the upper Northeast corner of a 638.36 acre tract described in a
4 deed to Roli Holdings, L.P. recorded in Clerk's File 2013010569;
5 THENCE South 87 deg. 23 min. 05 sec. West, along the North line of
6 said 638.36 acre tract, at 4683.36 feet pass a 5/8 inch iron rod
7 capped "RPLS 5815" found, and continue for a total distance of
8 4684.17 feet to a point marking the Southwest corner of the herein
9 described tract at the Northwest corner of said 638.36 acre tract,
10 said point being in the West line of the Means Survey, the East line
11 of the H. & T.C. R.R. Company Survey No. 150, Abstract 833, the West
12 line of said 1846.69 acre tract, and the East line of the Joseph H.
13 Ceaser, Jr. tract describe in Clerk's File 2007008678;
14 THENCE North 03 deg. 40 min. 53 sec. West, along the common line of
15 the Means Survey and the H. & T.C. R.R. Company Survey No. 150, being
16 the West line of said 1846.69 acre tract and the East line of the
17 Ceaser tract, a distance of 1305.65 feet to a 3 inch by 3 inch
18 concrete monument stamped "Kirby SEc H&TC WL H Means" found at the
19 Northeast corner of the H. & T.C. R.R. Company Survey No. 150, the
20 Southeast corner of the H. & T.C. R.R. Company Survey No. 149,
21 Abstract 232, the Northeast corner of the Ceaser tract, and the
22 Southeast corner of the William B. Krizak tract described in
23 Clerk's File 2009017836;
24 THENCE North 02 deg. 11 min. 16 sec. West, along the common line of
25 the Means Survey and the H. & T.C. R.R. Company Survey No. 149, being
26 the West line of said 1846.69 acre tract and the East line of the
27 Krizak tract, the Heriberto Cisneros tract described in Clerk's

1 File 2009009858, The Heriberto Cisneros tract described in Clerk's
2 File 2017006032, and the Johnnie Hooper tract described in Clerk's
3 File 2016002265, at 2138.84 feet pass a 1/2 inch iron rod found at
4 the Northeast corner of the Hooper tract and the Southeast corner of
5 a tract described in Clerk's File 2018001388, and continue along
6 the East line of said tract and tracts described in Clerk's File
7 2014013993, Clerk's File 2013003296, Clerk's File 2013010371,
8 Clerk's File 2012002326; Clerk's File 2016007673; Clerk's File
9 2015007509; Clerk's File 2012012985; Clerk's File 2009007977, and
10 Clerk's File 2010011389 for a total distance of 4143.56 feet to the
11 PLACE OF BEGINNING and containing 807.65 acres of land.

12 SECTION 3. (a) The legal notice of the intention to
13 introduce this Act, setting forth the general substance of this
14 Act, has been published as provided by law, and the notice and a
15 copy of this Act have been furnished to all persons, agencies,
16 officials, or entities to which they are required to be furnished
17 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
18 Government Code.

19 (b) The governor, one of the required recipients, has
20 submitted the notice and Act to the Texas Commission on
21 Environmental Quality.

22 (c) The Texas Commission on Environmental Quality has filed
23 its recommendations relating to this Act with the governor,
24 lieutenant governor, and speaker of the house of representatives
25 within the required time.

26 (d) The general law relating to consent by political
27 subdivisions to the creation of districts with conservation,

1 reclamation, and road powers and the inclusion of land in those
2 districts has been complied with.

3 (e) All requirements of the constitution and laws of this
4 state and the rules and procedures of the legislature with respect
5 to the notice, introduction, and passage of this Act have been
6 fulfilled and accomplished.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 23, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4653 by Bailes (Relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: WP, SD, AF, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 17, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4653 by Bailes (Relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: WP, AF, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 16, 2019

TO: Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4653 by Bailes (Relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: WP, AF, GP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 8, 2019

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4653 by Bailes (Relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Special District Local Laws Code to create certain management districts and specifies certain powers and obligations for these districts.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: WP, AF, GP

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

86TH LEGISLATIVE REGULAR SESSION

April 23, 2019

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB4653 by Bailes (Relating to the creation of Tarkington Management District No. 1 of Liberty County; providing authority to issue bonds; providing authority to impose assessments, fees, or taxes.), **As Introduced**

The Legislative Budget Board, in cooperation with the Texas Water Development Board (TWDB) and the Texas Commission on Environmental Quality (TCEQ), has determined that:

This bill creates Tarkington Management District No. 1 of Liberty County (District) with the powers and duties of a standard municipal management district under Local Government Code Chapter 375.

Population - The very specific description of the proposed boundaries does not allow staff to develop precise population estimates.

Population growth in the specific area since the 2010 census is unknown. The 2010 population estimate for areas of Liberty County served by small water systems or private wells (County-Other) was 37,622. The Liberty County-Other population projections adopted for the 2022 State Water Plan projects the population to grow to 38,297 in 2020 and 41,651 in 2030.

Location - The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Liberty County Clerk's File, and metes and bounds. Due to the complexity of these boundaries for the various subareas of the district, staff is only able to determine the general location of the proposed district.

The proposed district's area is approximately 1.26 square miles in northwest Liberty County, located east of the City of Plum Grove, and north of the City of Dayton. The proposed boundary appears to be near the intersection of State Highway 321 and County Road 2322.

Comments on Powers/Duties Different from Similar Types of Districts:

A director is entitled to receive fees of office and reimbursement for actual expenses provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board; this bill grants the District authority for road projects; the District may exercise the powers given to a development corporation under Chapter 505, Local Government Code; the board by resolution may authorize the creation of a nonprofit corporation with the powers created under Subchapter D, Chapter 431, Transportation Code; the District may contract to provide law

enforcement services in the District; the District may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a District purpose; the bill allows the District to engage in economic development activities and exercise economic development powers under Chapter 380, Local Government Code and Subchapter A, Chapter 1509, Government Code; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; the District may not construct, acquire, maintain, or operate a toll road; the District may construct, acquire, improve, maintain, finance, and operate rail facilities and improvements in aid of those facilities; the District may provide and coordinate rural public transportation in its territory in the manner provided by Sections 458.010 and 458.011, Transportation Code; the bill specifies that Section 458.012(a), related to public passenger transportation services, does not apply to the operations of the District; the bill specifies that the District may add or exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the District; the bill allows the District to divide; the District may not exercise the power of eminent domain; the board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board; the bill specifies that Section 375.161, Local Government Code, related to certain residential property exemptions, does not apply to a tax authorized or approved by the voters of the District or a required payment for a service provided by the District, including water and sewer services; the bill specifies that Subchapter I, Chapter 49, Water Code, relating to competitive bidding applies to the District; Section 375.243, Local Government Code, states that the board may not call a bond election unless a written petition has been filed with the board requesting an election, the bill specifies that this section does not apply to the District; the District may levy an operation and maintenance tax as provided for in Section 49.107 of the Water Code; Section 49.107(h), Water Code states that an operation and maintenance tax to be used for recreational facilities, as defined by Section 49.462, Water Code, levied by a district located in a county with a population of more than 3.3 million or in a county adjacent to that county may not exceed 10 cents per \$100 of assessed valuation of taxable property in the District, the bill specifies that this section does not apply to the District; the bill specifies that at the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of real property in the District; and the bill allows the District to establish defined areas.

Overlapping Services: TCEQ does not have mapping information for water and/or wastewater providers because this function was transferred from the TCEQ to the Public Utility Commission on September 1, 2014. As a result, TCEQ is unaware of possible overlapping service providers.

TCEQ's Supervision: As with general law districts, the TCEQ will have general supervisory authority, including bond review authority and review of financial reports.

Water Use - Within Liberty County, 59% of the total water use was supplied by surface water, and irrigation was the largest volume water use category comprising 57% of the county total water use in 2016. Municipal water use accounted for 39% of the county total water use in 2016. The water source the proposed district might pursue is unknown.

Source Agencies: 582 Commission on Environmental Quality, 580 Water Development Board

LBB Staff: WP, SZ