

SENATE AMENDMENTS

2nd Printing

By: Calanni

H.B. No. 4662

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of the Richfield Ranch Management District
3 of Harris County, Texas; providing authority to issue bonds;
4 providing authority to impose assessments, fees, and 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 3975 to read as follows:

8 CHAPTER 3975. RICHFIELD RANCH MANAGEMENT DISTRICT OF HARRIS
9 COUNTY, TEXAS

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 3975.0101. DEFINITIONS. In this chapter:

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

13 (2) "Commission" means the Texas Commission on
14 Environmental Quality.

15 (3) "County" means Harris County.

16 (4) "Director" means a board member.

17 (5) "District" means the Richfield Ranch Management
18 District of Harris County, Texas.

19 Sec. 3975.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

20 (a) The district is a special district created under Section 59,
21 Article XVI, Texas Constitution.

22 (b) The district is a governmental unit, as provided by
23 Section 375.004, Local Government Code.

24 (c) This chapter does not waive any governmental or

1 sovereign immunity from suit, liability, or judgment that would
2 otherwise apply to the district.

3 Sec. 3975.0103. PURPOSE; DECLARATION OF INTENT. (a) The
4 creation of the district is essential to accomplish the purposes of
5 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
6 Texas Constitution, and other public purposes stated in this
7 chapter.

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

11 (c) The creation of the district is necessary to promote,
12 develop, encourage, and maintain employment, commerce,
13 transportation, housing, tourism, recreation, the arts,
14 entertainment, economic development, safety, and the public
15 welfare in the district.

16 (d) This chapter and the creation of the district may not be
17 interpreted to relieve the county or a municipality from providing
18 the level of services provided as of the effective date of the Act
19 enacting this chapter to the area in the district. The district is
20 created to supplement and not to supplant county or municipal
21 services provided in the district.

22 Sec. 3975.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

1 (b) The district is created to serve a public use and
2 benefit.

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

5 (1) developing and diversifying the economy of the
6 state;

7 (2) eliminating unemployment and underemployment; and

8 (3) developing or expanding transportation and
9 commerce.

10 (d) The district will:

11 (1) promote the health, safety, and general welfare of
12 residents, employers, potential employees, employees, visitors,
13 and consumers in the district, and of the public;

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

17 (3) promote the health, safety, welfare, and enjoyment
18 of the public by providing pedestrian ways, road facilities,
19 transit facilities, parking facilities, recreational facilities,
20 and public art objects and by landscaping and developing certain
21 areas in the district, which are necessary for the restoration,
22 preservation, and enhancement of scenic beauty; and

23 (4) provide for water, wastewater, and drainage
24 facilities for the district.

25 (e) Pedestrian ways along or across a street, whether at
26 grade or above or below the surface, and street lighting, street
27 landscaping, parking, and street art objects are parts of and

1 necessary components of a street and are considered to be a street
2 or road improvement.

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

6 Sec. 3975.0105. INITIAL DISTRICT TERRITORY. (a) The
7 district is initially composed of the territory described by
8 Section 2 of the Act enacting this chapter.

9 (b) The boundaries and field notes contained in Section 2 of
10 the Act enacting this chapter form a closure. A mistake in the
11 field notes or in copying the field notes in the legislative process
12 does not affect the district's:

13 (1) organization, existence, or validity;

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

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

18 (4) legality or operation.

19 Sec. 3975.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
20 All or any part of the area of the district is eligible to be
21 included in:

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

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

26 (3) an enterprise zone created under Chapter 2303,
27 Government Code; or

1 (4) an industrial district created under Chapter 42,
2 Local Government Code.

3 Sec. 3975.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
4 DISTRICTS LAW. Except as otherwise provided by this chapter,
5 Chapter 375, Local Government Code, applies to the district.

6 Sec. 3975.0108. LIBERAL CONSTRUCTION OF CHAPTER. This
7 chapter shall be liberally construed in conformity with the
8 findings and purposes stated in this chapter.

9 Sec. 3975.0109. CONFLICTS OF LAW. This chapter prevails
10 over any provision of general law, including a provision of Chapter
11 375, Local Government Code, or Chapter 49, Water Code, that is in
12 conflict or inconsistent with this chapter.

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 3975.0201. GOVERNING BODY; TERMS. (a) The district is
15 governed by a board of five directors elected or appointed as
16 provided by this chapter and Subchapter D, Chapter 49, Water Code.

17 (b) Except as provided by Section 3975.0203, directors
18 serve staggered four-year terms.

19 Sec. 3975.0202. COMPENSATION. A director is entitled to
20 receive fees of office and reimbursement for actual expenses as
21 provided by Section 49.060, Water Code. Sections 375.069 and
22 375.070, Local Government Code, do not apply to the board.

23 Sec. 3975.0203. TEMPORARY DIRECTORS. (a) On or after the
24 effective date of the Act enacting this chapter, the owner or owners
25 of a majority of the assessed value of the real property in the
26 district according to the most recent certified tax appraisal roll
27 for the county may submit a petition to the commission requesting

1 that the commission appoint as temporary directors the five persons
2 named in the petition. The commission shall appoint as temporary
3 directors the five persons named in the petition.

4 (b) The temporary directors shall hold an election to elect
5 five permanent directors as provided by Section 49.102, Water Code.

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

7 (1) the date permanent directors are elected under
8 Subsection (b); or

9 (2) the fourth anniversary of the effective date of
10 the Act enacting this chapter.

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

16 (1) the date permanent directors are elected under
17 Subsection (b); or

18 (2) the fourth anniversary of the date of the
19 appointment or reappointment.

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

1 Sec. 3975.0204. DISQUALIFICATION OF DIRECTORS. Section
2 49.052, Water Code, applies to the members of the board.

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 3975.0301. GENERAL POWERS AND DUTIES. The district
5 has the powers and duties necessary to accomplish the purposes for
6 which the district is created.

7 Sec. 3975.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
8 The district, using any money available to the district for the
9 purpose, may provide, design, construct, acquire, improve,
10 relocate, operate, maintain, or finance an improvement project or
11 service authorized under this chapter or Chapter 375, Local
12 Government Code.

13 (b) The district may contract with a governmental or private
14 entity to carry out an action under Subsection (a).

15 (c) The implementation of a district project or service is a
16 governmental function or service for the purposes of Chapter 791,
17 Government Code.

18 Sec. 3975.0303. RECREATIONAL FACILITIES. The district may
19 develop or finance recreational facilities as authorized by Chapter
20 375, Local Government Code, Sections 52 and 52-a, Article III,
21 Texas Constitution, Section 59, Article XVI, Texas Constitution,
22 and any other law that applies to the district.

23 Sec. 3975.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
24 52, Article III, Texas Constitution, the district may own, operate,
25 maintain, design, acquire, construct, finance, issue bonds, notes,
26 or other obligations for, improve, and convey to this state, a
27 county, or a municipality for ownership, operation, and maintenance

1 macadamized, graveled, or paved roads or improvements, including
2 storm drainage, in aid of those roads.

3 Sec. 3975.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

4 (a) The district may convey a road project authorized by Section
5 3975.0304 to:

6 (1) a municipality or county that will operate and
7 maintain the road if the municipality or county has approved the
8 plans and specifications of the road project; or

9 (2) the state if the state will operate and maintain
10 the road and the Texas Transportation Commission has approved the
11 plans and specifications of the road project.

12 (b) Except as provided by Subsection (c), the district shall
13 operate and maintain a road project authorized by Section 3975.0304
14 that the district implements and does not convey to a municipality,
15 a county, or this state under Subsection (a).

16 (c) The district may agree in writing with a municipality, a
17 county, or this state to assign operation and maintenance duties to
18 the district, the municipality, the county, or this state in a
19 manner other than the manner described in Subsections (a) and (b).

20 Sec. 3975.0306. NONPROFIT CORPORATION. (a) The board by
21 resolution may authorize the creation of a nonprofit corporation to
22 assist and act for the district in implementing a project or
23 providing a service authorized by this chapter.

24 (b) The nonprofit corporation:

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

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

3 (c) The board shall appoint the board of directors of the
4 nonprofit corporation. The board of directors of the nonprofit
5 corporation shall serve in the same manner as the board of directors
6 of a local government corporation created under Subchapter D,
7 Chapter 431, Transportation Code, except that a board member is not
8 required to reside in the district.

9 Sec. 3975.0307. LAW ENFORCEMENT SERVICES. Section 49.216,
10 Water Code, applies to the district.

11 Sec. 3975.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
12 The district may join and pay dues to a charitable or nonprofit
13 organization that performs a service or provides an activity
14 consistent with the furtherance of a district purpose.

15 Sec. 3975.0309. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
16 district may engage in activities that accomplish the economic
17 development purposes of the district.

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

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

23 (2) provide district personnel and services.

24 (c) The district may create economic development programs
25 and exercise the economic development powers that:

26 (1) Chapter 380, Local Government Code, provides to a
27 municipality; and

1 (2) Subchapter A, Chapter 1509, Government Code,
2 provides to a municipality.

3 Sec. 3975.0310. STRATEGIC PARTNERSHIP AGREEMENT. The
4 district may negotiate and enter into a written strategic
5 partnership agreement with a municipality under Section 43.0751,
6 Local Government Code.

7 Sec. 3975.0311. REGIONAL PARTICIPATION AGREEMENT. The
8 district may negotiate and enter into a written regional
9 participation agreement with a municipality under Section 43.0754,
10 Local Government Code.

11 Sec. 3975.0312. PARKING FACILITIES. (a) The district may
12 acquire, lease as lessor or lessee, construct, develop, own,
13 operate, and maintain parking facilities or a system of parking
14 facilities, including lots, garages, parking terminals, or other
15 structures or accommodations for parking motor vehicles off the
16 streets and related appurtenances.

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

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

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

26 Sec. 3975.0313. ADDING OR EXCLUDING LAND. (a) The district
27 may add land as provided by Subchapter J, Chapter 49, Water Code.

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

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

8 (d) If the district adopts a sales and use tax authorized at
9 an election held under Section 3975.0602 and subsequently includes
10 new territory in the district under this section, the district:

11 (1) is not required to hold another election to
12 approve the imposition of the sales and use tax in the included
13 territory; and

14 (2) shall impose the sales and use tax in the included
15 territory as provided by Chapter 321, Tax Code.

16 (e) If the district adopts a sales and use tax authorized at
17 an election held under Section 3975.0602 and subsequently excludes
18 territory in the district under this section, the sales and use tax
19 is inapplicable to the excluded territory, as provided by Chapter
20 321, Tax Code, but is applicable to the territory remaining in the
21 district.

22 Sec. 3975.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The
23 board by resolution shall establish the number of directors'
24 signatures and the procedure required for a disbursement or
25 transfer of district money.

26 Sec. 3975.0315. AUDIT EXEMPTION. (a) The district may
27 elect to complete an annual financial report in lieu of an annual

1 audit under Section 375.096(a)(6), Local Government Code, if:

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

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

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

9 (b) Each annual financial report prepared in accordance
10 with this section must be open to public inspection and accompanied
11 by an affidavit signed by a duly authorized representative of the
12 district attesting to the accuracy and authenticity of the
13 financial report.

14 (c) The annual financial report and affidavit shall be
15 substantially similar in form to the annual financial report and
16 affidavit forms prescribed by the executive director of the
17 commission under Section 49.198, Water Code.

18 Sec. 3975.0316. NO EMINENT DOMAIN POWER. The district may
19 not exercise the power of eminent domain.

20 SUBCHAPTER D. ASSESSMENTS

21 Sec. 3975.0401. PETITION REQUIRED FOR FINANCING SERVICES
22 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
23 service or improvement project with assessments under this chapter
24 unless a written petition requesting that service or improvement
25 has been filed with the board.

26 (b) A petition filed under Subsection (a) must be signed by
27 the owners of a majority of the assessed value of real property in

1 the district subject to assessment according to the most recent
2 certified tax appraisal roll for the county.

3 Sec. 3975.0402. METHOD OF NOTICE FOR HEARING. The district
4 may mail the notice required by Section 375.115(c), Local
5 Government Code, by certified or first class United States mail.
6 The board shall determine the method of notice.

7 Sec. 3975.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
8 The board by resolution may impose and collect an assessment for any
9 purpose authorized by this chapter in all or any part of the
10 district.

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

16 (1) are a first and prior lien against the property
17 assessed;

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

21 (3) are the personal liability of and a charge against
22 the owners of the property even if the owners are not named in the
23 assessment proceedings.

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

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

5 SUBCHAPTER E. TAXES AND BONDS

6 Sec. 3975.0501. TAX ELECTION REQUIRED. The district must
7 hold an election in the manner provided by Chapter 49, Water Code,
8 or, if applicable, Chapter 375, Local Government Code, to obtain
9 voter approval before the district may impose an ad valorem tax.

10 Sec. 3975.0502. OPERATION AND MAINTENANCE TAX. (a) If
11 authorized by a majority of the district voters voting at an
12 election under Section 3975.0501, the district may impose an
13 operation and maintenance tax on taxable property in the district
14 in the manner provided by Section 49.107, Water Code, for any
15 district purpose, including to:

- 16 (1) maintain and operate the district;
17 (2) construct or acquire improvements; or
18 (3) provide a service.

19 (b) The board shall determine the operation and maintenance
20 tax rate. The rate may not exceed the rate approved at the
21 election.

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

24 Sec. 3975.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
25 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
26 terms determined by the board.

27 (b) The district, by competitive bid or negotiated sale, may

1 issue bonds, notes, or other obligations payable wholly or partly
2 from ad valorem taxes, assessments, impact fees, revenue, contract
3 payments, grants, or other district money, or any combination of
4 those sources of money, to pay for any authorized district purpose.

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

8 Sec. 3975.0504. BONDS SECURED BY REVENUE OR CONTRACT
9 PAYMENTS. The district may issue, without an election, bonds
10 secured by:

11 (1) revenue other than ad valorem taxes, including
12 contract revenues; or

13 (2) contract payments, provided that the requirements
14 of Section 49.108, Water Code, have been met.

15 Sec. 3975.0505. BONDS SECURED BY AD VALOREM TAXES;
16 ELECTIONS. (a) If authorized at an election under Section
17 3975.0501, the district may issue bonds payable from ad valorem
18 taxes.

19 (b) Section 375.243, Local Government Code, does not apply
20 to the district.

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

27 (d) All or any part of any facilities or improvements that

1 may be acquired by a district by the issuance of its bonds may be
2 submitted as a single proposition or as several propositions to be
3 voted on at the election.

4 Sec. 3975.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
5 board may not issue bonds until each municipality in whose
6 corporate limits or extraterritorial jurisdiction the district is
7 located has consented by ordinance or resolution to the creation of
8 the district and to the inclusion of land in the district.

9 (b) This section applies only to the district's first
10 issuance of bonds payable from ad valorem taxes.

11 SUBCHAPTER F. SALES AND USE TAX

12 Sec. 3975.0601. APPLICABILITY OF CERTAIN TAX CODE
13 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
14 computation, administration, enforcement, and collection of the
15 sales and use tax authorized by this subchapter except to the extent
16 Chapter 321, Tax Code, is inconsistent with this chapter.

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

20 Sec. 3975.0602. ELECTION; ADOPTION OF TAX. (a) The
21 district may adopt a sales and use tax if authorized by a majority
22 of the voters of the district voting at an election held for that
23 purpose.

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

1 (c) The ballot shall be printed to provide for voting for or
2 against the proposition: "Authorization of a sales and use tax in
3 the Richfield Ranch Management District of Harris County, Texas, at
4 a rate not to exceed _____ percent" (insert rate of one or more
5 increments of one-eighth of one percent).

6 Sec. 3975.0603. SALES AND USE TAX RATE. (a) On or after the
7 date the results are declared of an election held under Section
8 3975.0602, at which the voters approved imposition of the tax
9 authorized by this subchapter, the board shall determine and adopt
10 by resolution or order the initial rate of the tax, which must be in
11 one or more increments of one-eighth of one percent.

12 (b) After the election held under Section 3975.0602, the
13 board may increase or decrease the rate of the tax by one or more
14 increments of one-eighth of one percent.

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

17 (1) the maximum rate authorized by the district voters
18 at the election held under Section 3975.0602; or

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

24 Sec. 3975.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
25 section applies to the district after a municipality annexes part
26 of the territory in the district and imposes the municipality's
27 sales and use tax in the annexed territory.

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

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

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

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

17 Sec. 3975.0605. NOTIFICATION OF RATE CHANGE. The board
18 shall notify the comptroller of any changes made to the tax rate
19 under this subchapter in the same manner the municipal secretary
20 provides notice to the comptroller under Section 321.405(b), Tax
21 Code.

22 Sec. 3975.0606. USE OF REVENUE. Revenue from the sales and
23 use tax imposed under this subchapter is for the use and benefit of
24 the district and may be used for any district purpose. The district
25 may pledge all or part of the revenue to the payment of bonds,
26 notes, or other obligations, and that pledge of revenue may be in
27 combination with other revenue, including tax revenue, available to

1 the district.

2 Sec. 3975.0607. ABOLITION OF TAX. (a) Except as provided
3 by Subsection (b), the board may abolish the tax imposed under this
4 subchapter without an election.

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

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

13 (d) If the board abolishes the tax or decreases the tax rate
14 to zero, a new election to authorize a sales and use tax must be held
15 under Section 3975.0602 before the district may subsequently impose
16 the tax.

17 (e) This section does not apply to a decrease in the sales
18 and use tax authorized under Section 3975.0604(c)(2).

19 SUBCHAPTER I. DISSOLUTION

20 Sec. 3975.0901. DISSOLUTION OF DISTRICT WITH OUTSTANDING
21 DEBT. (a) The board may dissolve the district regardless of
22 whether the district has debt. Section 375.264, Local Government
23 Code, does not apply to the district.

24 (b) If the district has debt when it is dissolved, the
25 district shall remain in existence solely for the purpose of
26 discharging its debts. The dissolution is effective when all debts
27 have been discharged.

1 SECTION 2. The Richfield Ranch Management District of
2 Harris County, Texas, initially includes all the territory
3 contained in the following area:

4 Being a 296.69 acre tract of land located within the John W.
5 Baker Survey, A-116, the Edward Goodsir Survey, A-285, and the
6 H.T.&B.R.R. Co. Survey, A-402, all in Harris County, Texas; said
7 296.69 acre tract being a part of a call 2523.670 acre tract of land
8 recorded in Clerk's File Number U036618 of the Official Public
9 Records of Real Property of Harris County (O.P.R.R.P.H.C); said
10 296.69 acre tract being more particularly described by metes and
11 bounds as follows (all bearings are referenced to the south line of
12 said 2523.670 acre tract):

13 Beginning at a 3/4-inch iron rod found at an interior corner
14 of said 2523.670 acre tract and the northeast corner of a call 3.220
15 acre tract of land recorded in Volume 6368, Page 357 of the Harris
16 County Deed Records (H.C.D.R.), and being on the south Right-of-Way
17 (R.O.W.) line of the Union Pacific Railroad (100 feet wide)
18 recorded in Volume 964, Page 88 of the H.C.D.R.;

19 1. Thence with common line of said 2523.670 acre tract and
20 said Union Pacific Railroad, South 68 degrees 09 minutes 04 seconds
21 East, a distance of 3,468.29 feet to the west R.O.W. line of State
22 Highway 99 (Grand Parkway) recorded in Clerk's File Number
23 20120310531 of the O.P.R.R.P.H.C.;

24 Thence, with said west R.O.W. line, the following thirteen
25 (13) courses

26 2. South 03 degrees 24 minutes 19 seconds East, a distance
27 of 389.11 feet;

- 1 3. South 14 degrees 45 minutes 04 seconds East, a distance
2 of 620.00 feet;
- 3 4. South 02 degrees 04 minutes 37 seconds East, a distance
4 of 182.04 feet;
- 5 5. 843.74 feet along the arc of a curve to the right, said
6 curve having a central angle of 04 degrees 17 minutes 37 seconds, a
7 radius of 11,259.16 feet and a chord that bears South 00 degrees 04
8 minutes 11 seconds West, a distance of 843.54 feet;
- 9 6. South 02 degrees 12 minutes 59 seconds West, a distance
10 of 74.10 feet;
- 11 7. South 47 degrees 12 minutes 59 seconds West, a distance
12 of 49.50 feet;
- 13 8. South 02 degrees 12 minutes 59 seconds West, a distance
14 of 100.00 feet;
- 15 9. South 42 degrees 47 minutes 01 seconds East, a distance
16 of 49.50 feet;
- 17 10. South 02 degrees 12 minutes 59 seconds West, a distance
18 of 1,486.42 feet;
- 19 11. 1,398.54 feet along the arc of a curve to the left, said
20 curve having a central angle of 03 degrees 27 minutes 58 seconds, a
21 radius of 23,118.32 feet and a chord that bears South 00 degrees 29
22 minutes 00 seconds West, a distance of 1,398.33 feet;
- 23 12. South 01 degrees 14 minutes 59 seconds East, a distance
24 of 1,972.40 feet;
- 25 13. South 43 degrees 22 minutes 43 seconds West, a distance
26 of 71.17 feet;
- 27 14. South 01 degrees 14 minutes 59 seconds East, a distance

1 of 70.13 feet to the common line of aforesaid 2523.670 acre tract
2 and a call 1158.2 acre tract recorded in Volume 3131, Page 393 of
3 the H.C.D.R.;

4 15. Thence, with said common line, South 88 degrees 00
5 minutes 19 seconds West, a distance of 1,250.11 feet;

6 Thence, through said 2523.670 acre tract, the following five
7 (5) courses:

8 16. North 01 degrees 14 minutes 59 seconds West, a distance
9 of 2,109.44 feet;

10 17. 1,477.19 feet along the arc of a curve to the right, said
11 curve having a central angle of 03 degrees 27 minutes 58 seconds, a
12 radius of 24,418.32 feet and a chord that bears North 00 degrees 29
13 minutes 00 seconds East, a distance of 1,476.96 feet;

14 18. North 02 degrees 12 minutes 59 seconds East, a distance
15 of 1,730.52 feet;

16 19. 1,014.11 feet along the arc of a curve to the left, said
17 curve having a central angle of 05 degrees 50 minutes 03 seconds, a
18 radius of 9,959.16 feet and a chord that bears North 00 degrees 42
19 minutes 03 seconds West, a distance of 1,013.67 feet;

20 20. North 68 degrees 09 minutes 04 seconds West, a distance
21 of 2,829.49 feet to the common line of said 2523.670 acre tract and
22 a call 523.376 acre tract of land recorded in Clerk's File Number
23 H793053 of the O.P.R.R.H.C.;

24 21. Thence, with said common line, North 02 degrees 09
25 minutes 14 seconds West, a distance of 157.88 feet;

26 22. Thence, through said 2523.670 acre tract, North 27
27 degrees 35 minutes 08 seconds East, at a distance of 306.42 feet

1 passing an interior corner of said 2523.670 acre tract and the south
2 corner of aforesaid 3.220 acre tract, in all, a total distance of
3 1161.59 feet to the Point of Beginning and containing 296.69 acres
4 of land.

5 SECTION 3. (a) The legal notice of the intention to
6 introduce this Act, setting forth the general substance of this
7 Act, has been published as provided by law, and the notice and a
8 copy of this Act have been furnished to all persons, agencies,
9 officials, or entities to which they are required to be furnished
10 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
11 Government Code.

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

15 (c) The Texas Commission on Environmental Quality has filed
16 its recommendations relating to this Act with the governor,
17 lieutenant governor, and speaker of the house of representatives
18 within the required time.

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

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

ADOPTED

MAY 21 2019

Leta Spaw
Secretary of the Senate

By: Calanni/Kolkhorst

H.B. No. 4662

Substitute the following for H.B. No. 4662 :

By: 

C.S. .B. No.

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the creation of the Richfield Ranch Management District
3 of Harris County, Texas; providing authority to issue bonds;
4 providing authority to impose assessments, fees, and 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 3975 to read as follows:

8 CHAPTER 3975. RICHFIELD RANCH MANAGEMENT DISTRICT OF HARRIS
9 COUNTY, TEXAS

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 3975.0101. DEFINITIONS. In this chapter:

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

13 (2) "Commission" means the Texas Commission on
14 Environmental Quality.

15 (3) "County" means Harris County.

16 (4) "Director" means a board member.

17 (5) "District" means the Richfield Ranch Management
18 District of Harris County, Texas.

19 Sec. 3975.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

20 (a) The district is a special district created under Section 59,
21 Article XVI, Texas Constitution.

22 (b) The district is a governmental unit, as provided by
23 Section 375.004, Local Government Code.

24 (c) This chapter does not waive any governmental or

1 sovereign immunity from suit, liability, or judgment that would
2 otherwise apply to the district.

3 Sec. 3975.0103. PURPOSE; DECLARATION OF INTENT. (a) The
4 creation of the district is essential to accomplish the purposes of
5 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
6 Texas Constitution, and other public purposes stated in this
7 chapter.

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

11 (c) The creation of the district is necessary to promote,
12 develop, encourage, and maintain employment, commerce,
13 transportation, housing, tourism, recreation, the arts,
14 entertainment, economic development, safety, and the public
15 welfare in the district.

16 (d) This chapter and the creation of the district may not be
17 interpreted to relieve the county or a municipality from providing
18 the level of services provided as of the effective date of the Act
19 enacting this chapter to the area in the district. The district is
20 created to supplement and not to supplant county or municipal
21 services provided in the district.

22 Sec. 3975.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

1 (b) The district is created to serve a public use and
2 benefit.

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

5 (1) developing and diversifying the economy of the
6 state;

7 (2) eliminating unemployment and underemployment; and

8 (3) developing or expanding transportation and
9 commerce.

10 (d) The district will:

11 (1) promote the health, safety, and general welfare of
12 residents, employers, potential employees, employees, visitors,
13 and consumers in the district, and of the public;

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

17 (3) promote the health, safety, welfare, and enjoyment
18 of the public by providing pedestrian ways, road facilities,
19 transit facilities, parking facilities, recreational facilities,
20 and public art objects and by landscaping and developing certain
21 areas in the district, which are necessary for the restoration,
22 preservation, and enhancement of scenic beauty; and

23 (4) provide for water, wastewater, and drainage
24 facilities for the district.

25 (e) Pedestrian ways along or across a street, whether at
26 grade or above or below the surface, and street lighting, street
27 landscaping, parking, and street art objects are parts of and

1 necessary components of a street and are considered to be a street
2 or road improvement.

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

6 Sec. 3975.0105. INITIAL DISTRICT TERRITORY. (a) The
7 district is initially composed of the territory described by
8 Section 2 of the Act enacting this chapter.

9 (b) The boundaries and field notes contained in Section 2 of
10 the Act enacting this chapter form a closure. A mistake in the
11 field notes or in copying the field notes in the legislative process
12 does not affect the district's:

13 (1) organization, existence, or validity;

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

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

18 (4) legality or operation.

19 Sec. 3975.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

20 All or any part of the area of the district is eligible to be
21 included in:

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

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

26 (3) an enterprise zone created under Chapter 2303,
27 Government Code; or

1 (4) an industrial district created under Chapter 42,
2 Local Government Code.

3 Sec. 3975.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
4 DISTRICTS LAW. Except as otherwise provided by this chapter,
5 Chapter 375, Local Government Code, applies to the district.

6 Sec. 3975.0108. LIBERAL CONSTRUCTION OF CHAPTER. This
7 chapter shall be liberally construed in conformity with the
8 findings and purposes stated in this chapter.

9 Sec. 3975.0109. CONFLICTS OF LAW. This chapter prevails
10 over any provision of general law, including a provision of Chapter
11 375, Local Government Code, or Chapter 49, Water Code, that is in
12 conflict or inconsistent with this chapter.

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 3975.0201. GOVERNING BODY; TERMS. (a) The district is
15 governed by a board of five directors elected or appointed as
16 provided by this chapter and Subchapter D, Chapter 49, Water Code.

17 (b) Except as provided by Section 3975.0203, directors
18 serve staggered four-year terms.

19 Sec. 3975.0202. COMPENSATION. A director is entitled to
20 receive fees of office and reimbursement for actual expenses as
21 provided by Section 49.060, Water Code. Sections 375.069 and
22 375.070, Local Government Code, do not apply to the board.

23 Sec. 3975.0203. TEMPORARY DIRECTORS. (a) On or after the
24 effective date of the Act enacting this chapter, the owner or owners
25 of a majority of the assessed value of the real property in the
26 district according to the most recent certified tax appraisal roll
27 for the county may submit a petition to the commission requesting

1 that the commission appoint as temporary directors the five persons
2 named in the petition. The commission shall appoint as temporary
3 directors the five persons named in the petition.

4 (b) The temporary directors shall hold an election to elect
5 five permanent directors as provided by Section 49.102, Water Code.

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

7 (1) the date permanent directors are elected under
8 Subsection (b); or

9 (2) the fourth anniversary of the effective date of
10 the Act enacting this chapter.

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

16 (1) the date permanent directors are elected under
17 Subsection (b); or

18 (2) the fourth anniversary of the date of the
19 appointment or reappointment.

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

1 Sec. 3975.0204. DISQUALIFICATION OF DIRECTORS. Section
2 49.052, Water Code, applies to the members of the board.

3 SUBCHAPTER C. POWERS AND DUTIES

4 Sec. 3975.0301. GENERAL POWERS AND DUTIES. The district
5 has the powers and duties necessary to accomplish the purposes for
6 which the district is created.

7 Sec. 3975.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
8 The district, using any money available to the district for the
9 purpose, may provide, design, construct, acquire, improve,
10 relocate, operate, maintain, or finance an improvement project or
11 service authorized under this chapter or Chapter 375, Local
12 Government Code.

13 (b) The district may contract with a governmental or private
14 entity to carry out an action under Subsection (a).

15 (c) The implementation of a district project or service is a
16 governmental function or service for the purposes of Chapter 791,
17 Government Code.

18 Sec. 3975.0303. RECREATIONAL FACILITIES. The district may
19 develop or finance recreational facilities as authorized by Chapter
20 375, Local Government Code, Sections 52 and 52-a, Article III,
21 Texas Constitution, Section 59, Article XVI, Texas Constitution,
22 and any other law that applies to the district.

23 Sec. 3975.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
24 52, Article III, Texas Constitution, the district may own, operate,
25 maintain, design, acquire, construct, finance, issue bonds, notes,
26 or other obligations for, improve, and convey to this state, a
27 county, or a municipality for ownership, operation, and maintenance

1 macadamized, graveled, or paved roads or improvements, including
2 storm drainage, in aid of those roads.

3 Sec. 3975.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

4 (a) The district may convey a road project authorized by Section
5 3975.0304 to:

6 (1) a municipality or county that will operate and
7 maintain the road if the municipality or county has approved the
8 plans and specifications of the road project; or

9 (2) the state if the state will operate and maintain
10 the road and the Texas Transportation Commission has approved the
11 plans and specifications of the road project.

12 (b) Except as provided by Subsection (c), the district shall
13 operate and maintain a road project authorized by Section 3975.0304
14 that the district implements and does not convey to a municipality,
15 a county, or this state under Subsection (a).

16 (c) The district may agree in writing with a municipality, a
17 county, or this state to assign operation and maintenance duties to
18 the district, the municipality, the county, or this state in a
19 manner other than the manner described in Subsections (a) and (b).

20 Sec. 3975.0306. NONPROFIT CORPORATION. (a) The board by
21 resolution may authorize the creation of a nonprofit corporation to
22 assist and act for the district in implementing a project or
23 providing a service authorized by this chapter.

24 (b) The nonprofit corporation:

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

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

3 (c) The board shall appoint the board of directors of the
4 nonprofit corporation. The board of directors of the nonprofit
5 corporation shall serve in the same manner as the board of directors
6 of a local government corporation created under Subchapter D,
7 Chapter 431, Transportation Code, except that a board member is not
8 required to reside in the district.

9 Sec. 3975.0307. LAW ENFORCEMENT SERVICES. Section 49.216,
10 Water Code, applies to the district.

11 Sec. 3975.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.
12 The district may join and pay dues to a charitable or nonprofit
13 organization that performs a service or provides an activity
14 consistent with the furtherance of a district purpose.

15 Sec. 3975.0309. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
16 district may engage in activities that accomplish the economic
17 development purposes of the district.

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

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

23 (2) provide district personnel and services.

24 (c) The district may create economic development programs
25 and exercise the economic development powers that:

26 (1) Chapter 380, Local Government Code, provides to a
27 municipality; and

1 (2) Subchapter A, Chapter 1509, Government Code,
2 provides to a municipality.

3 Sec. 3975.0310. STRATEGIC PARTNERSHIP AGREEMENT. The
4 district may negotiate and enter into a written strategic
5 partnership agreement with a municipality under Section 43.0751,
6 Local Government Code.

7 Sec. 3975.0311. REGIONAL PARTICIPATION AGREEMENT. The
8 district may negotiate and enter into a written regional
9 participation agreement with a municipality under Section 43.0754,
10 Local Government Code.

11 Sec. 3975.0312. PARKING FACILITIES. (a) The district may
12 acquire, lease as lessor or lessee, construct, develop, own,
13 operate, and maintain parking facilities or a system of parking
14 facilities, including lots, garages, parking terminals, or other
15 structures or accommodations for parking motor vehicles off the
16 streets and related appurtenances.

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

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

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

26 Sec. 3975.0313. ADDING OR EXCLUDING LAND. (a) The district
27 may add land as provided by Subchapter J, Chapter 49, Water Code.

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

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

8 (d) If the district adopts a sales and use tax authorized at
9 an election held under Section 3975.0602 and subsequently includes
10 new territory in the district under this section, the district:

11 (1) is not required to hold another election to
12 approve the imposition of the sales and use tax in the included
13 territory; and

14 (2) shall impose the sales and use tax in the included
15 territory as provided by Chapter 321, Tax Code.

16 (e) If the district adopts a sales and use tax authorized at
17 an election held under Section 3975.0602 and subsequently excludes
18 territory in the district under this section, the sales and use tax
19 is inapplicable to the excluded territory, as provided by Chapter
20 321, Tax Code, but is applicable to the territory remaining in the
21 district.

22 Sec. 3975.0314. DISBURSEMENTS AND TRANSFERS OF MONEY. The
23 board by resolution shall establish the number of directors'
24 signatures and the procedure required for a disbursement or
25 transfer of district money.

26 Sec. 3975.0315. AUDIT EXEMPTION. (a) The district may
27 elect to complete an annual financial report in lieu of an annual

1 audit under Section 375.096(a)(6), Local Government Code, if:

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

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

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

9 (b) Each annual financial report prepared in accordance
10 with this section must be open to public inspection and accompanied
11 by an affidavit signed by a duly authorized representative of the
12 district attesting to the accuracy and authenticity of the
13 financial report.

14 (c) The annual financial report and affidavit shall be
15 substantially similar in form to the annual financial report and
16 affidavit forms prescribed by the executive director of the
17 commission under Section 49.198, Water Code.

18 Sec. 3975.0316. NO EMINENT DOMAIN POWER. The district may
19 not exercise the power of eminent domain.

20 SUBCHAPTER D. ASSESSMENTS

21 Sec. 3975.0401. PETITION REQUIRED FOR FINANCING SERVICES
22 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
23 service or improvement project with assessments under this chapter
24 unless a written petition requesting that service or improvement
25 has been filed with the board.

26 (b) A petition filed under Subsection (a) must be signed by
27 the owners of a majority of the assessed value of real property in

1 the district subject to assessment according to the most recent
2 certified tax appraisal roll for the county.

3 Sec. 3975.0402. METHOD OF NOTICE FOR HEARING. The district
4 may mail the notice required by Section 375.115(c), Local
5 Government Code, by certified or first class United States mail.
6 The board shall determine the method of notice.

7 Sec. 3975.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
8 The board by resolution may impose and collect an assessment for any
9 purpose authorized by this chapter in all or any part of the
10 district.

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

16 (1) are a first and prior lien against the property
17 assessed;

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

21 (3) are the personal liability of and a charge against
22 the owners of the property even if the owners are not named in the
23 assessment proceedings.

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

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

5 SUBCHAPTER E. TAXES AND BONDS

6 Sec. 3975.0501. TAX ELECTION REQUIRED. The district must
7 hold an election in the manner provided by Chapter 49, Water Code,
8 or, if applicable, Chapter 375, Local Government Code, to obtain
9 voter approval before the district may impose an ad valorem tax.

10 Sec. 3975.0502. OPERATION AND MAINTENANCE TAX. (a) If
11 authorized by a majority of the district voters voting at an
12 election under Section 3975.0501, the district may impose an
13 operation and maintenance tax on taxable property in the district
14 in the manner provided by Section 49.107, Water Code, for any
15 district purpose, including to:

- 16 (1) maintain and operate the district;
17 (2) construct or acquire improvements; or
18 (3) provide a service.

19 (b) The board shall determine the operation and maintenance
20 tax rate. The rate may not exceed the rate approved at the
21 election.

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

24 Sec. 3975.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
25 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
26 terms determined by the board.

27 (b) The district, by competitive bid or negotiated sale, may

1 issue bonds, notes, or other obligations payable wholly or partly
2 from ad valorem taxes, assessments, impact fees, revenue, contract
3 payments, grants, or other district money, or any combination of
4 those sources of money, to pay for any authorized district purpose.

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

8 Sec. 3975.0504. BONDS SECURED BY REVENUE OR CONTRACT
9 PAYMENTS. The district may issue, without an election, bonds
10 secured by:

11 (1) revenue other than ad valorem taxes, including
12 contract revenues; or

13 (2) contract payments, provided that the requirements
14 of Section 49.108, Water Code, have been met.

15 Sec. 3975.0505. BONDS SECURED BY AD VALOREM TAXES;
16 ELECTIONS. (a) If authorized at an election under Section
17 3975.0501, the district may issue bonds payable from ad valorem
18 taxes.

19 (b) Section 375.243, Local Government Code, does not apply
20 to the district.

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

27 (d) All or any part of any facilities or improvements that

1 may be acquired by a district by the issuance of its bonds may be
2 submitted as a single proposition or as several propositions to be
3 voted on at the election.

4 Sec. 3975.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
5 board may not issue bonds until each municipality in whose
6 corporate limits or extraterritorial jurisdiction the district is
7 located has consented by ordinance or resolution to the creation of
8 the district and to the inclusion of land in the district.

9 (b) This section applies only to the district's first
10 issuance of bonds payable from ad valorem taxes.

11 SUBCHAPTER F. SALES AND USE TAX

12 Sec. 3975.0601. APPLICABILITY OF CERTAIN TAX CODE
13 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
14 computation, administration, enforcement, and collection of the
15 sales and use tax authorized by this subchapter except to the extent
16 Chapter 321, Tax Code, is inconsistent with this chapter.

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

20 Sec. 3975.0602. ELECTION; ADOPTION OF TAX. (a) The
21 district may adopt a sales and use tax if authorized by a majority
22 of the voters of the district voting at an election held for that
23 purpose.

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

1 (c) The ballot shall be printed to provide for voting for or
2 against the proposition: "Authorization of a sales and use tax in
3 the Richfield Ranch Management District of Harris County, Texas, at
4 a rate not to exceed ____ percent" (insert rate of one or more
5 increments of one-eighth of one percent).

6 Sec. 3975.0603. SALES AND USE TAX RATE. (a) On or after the
7 date the results are declared of an election held under Section
8 3975.0602, at which the voters approved imposition of the tax
9 authorized by this subchapter, the board shall determine and adopt
10 by resolution or order the initial rate of the tax, which must be in
11 one or more increments of one-eighth of one percent.

12 (b) After the election held under Section 3975.0602, the
13 board may increase or decrease the rate of the tax by one or more
14 increments of one-eighth of one percent.

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

17 (1) the maximum rate authorized by the district voters
18 at the election held under Section 3975.0602; or

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

24 Sec. 3975.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
25 section applies to the district after a municipality annexes part
26 of the territory in the district and imposes the municipality's
27 sales and use tax in the annexed territory.

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

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

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

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

17 Sec. 3975.0605. NOTIFICATION OF RATE CHANGE. The board
18 shall notify the comptroller of any changes made to the tax rate
19 under this subchapter in the same manner the municipal secretary
20 provides notice to the comptroller under Section 321.405(b), Tax
21 Code.

22 Sec. 3975.0606. USE OF REVENUE. Revenue from the sales and
23 use tax imposed under this subchapter is for the use and benefit of
24 the district and may be used for any district purpose. The district
25 may pledge all or part of the revenue to the payment of bonds,
26 notes, or other obligations, and that pledge of revenue may be in
27 combination with other revenue, including tax revenue, available to

1 the district.

2 Sec. 3975.0607. ABOLITION OF TAX. (a) Except as provided
3 by Subsection (b), the board may abolish the tax imposed under this
4 subchapter without an election.

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

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

13 (d) If the board abolishes the tax or decreases the tax rate
14 to zero, a new election to authorize a sales and use tax must be held
15 under Section 3975.0602 before the district may subsequently impose
16 the tax.

17 (e) This section does not apply to a decrease in the sales
18 and use tax authorized under Section 3975.0604(c)(2).

19 SUBCHAPTER I. DISSOLUTION

20 Sec. 3975.0901. DISSOLUTION. (a) The board shall dissolve
21 the district on written petition filed with the board by the owners
22 of:

23 (1) 66 percent or more of the assessed value of the
24 property subject to assessment by the district based on the most
25 recent certified county property tax rolls; or

26 (2) 66 percent or more of the surface area of the
27 district, excluding roads, streets, highways, utility

1 rights-of-way, other public areas, and other property exempt from
2 assessment by the district according to the most recent certified
3 county property tax rolls.

4 (b) The board by majority vote may dissolve the district at
5 any time.

6 (c) The district may not be dissolved by its board under
7 Subsection (a) or (b) if the district:

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

11 (2) has a contractual obligation to pay money until
12 that obligation has been fully paid in accordance with the
13 contract; or

14 (3) owns, operates, or maintains public works,
15 facilities, or improvements unless the district contracts with
16 another person for the ownership, operation, or maintenance of the
17 public works, facilities, or improvements.

18 (d) Sections 375.261, 375.262, and 375.264, Local
19 Government Code, do not apply to the district.

20 SECTION 2. The Richfield Ranch Management District of
21 Harris County, Texas, initially includes all the territory
22 contained in the following area:

23 Being a 296.69 acre tract of land located within the John W.
24 Baker Survey, A-116, the Edward Goodsir Survey, A-285, and the
25 H.T.&B.R.R. Co. Survey, A-402, all in Harris County, Texas; said
26 296.69 acre tract being a part of a call 2523.670 acre tract of land
27 recorded in Clerk's File Number U036618 of the Official Public

1 Records of Real Property of Harris County (O.P.R.R.P.H.C); said
2 296.69 acre tract being more particularly described by metes and
3 bounds as follows (all bearings are referenced to the south line of
4 said 2523.670 acre tract):

5 Beginning at a 3/4-inch iron rod found at an interior corner
6 of said 2523.670 acre tract and the northeast corner of a call 3.220
7 acre tract of land recorded in Volume 6368, Page 357 of the Harris
8 County Deed Records (H.C.D.R.), and being on the south Right-of-Way
9 (R.O.W.) line of the Union Pacific Railroad (100 feet wide)
10 recorded in Volume 964, Page 88 of the H.C.D.R.;

11 1. Thence with common line of said 2523.670 acre tract and
12 said Union Pacific Railroad, South 68 degrees 09 minutes 04 seconds
13 East, a distance of 3,468.29 feet to the west R.O.W. line of State
14 Highway 99 (Grand Parkway) recorded in Clerk's File Number
15 20120310531 of the O.P.R.R.P.H.C.;

16 Thence, with said west R.O.W. line, the following thirteen
17 (13) courses

18 2. South 03 degrees 24 minutes 19 seconds East, a distance
19 of 389.11 feet;

20 3. South 14 degrees 45 minutes 04 seconds East, a distance
21 of 620.00 feet;

22 4. South 02 degrees 04 minutes 37 seconds East, a distance
23 of 182.04 feet;

24 5. 843.74 feet along the arc of a curve to the right, said
25 curve having a central angle of 04 degrees 17 minutes 37 seconds, a
26 radius of 11,259.16 feet and a chord that bears South 00 degrees 04
27 minutes 11 seconds West, a distance of 843.54 feet;

1 6. South 02 degrees 12 minutes 59 seconds West, a distance
2 of 74.10 feet;
3 7. South 47 degrees 12 minutes 59 seconds West, a distance
4 of 49.50 feet;
5 8. South 02 degrees 12 minutes 59 seconds West, a distance
6 of 100.00 feet;
7 9. South 42 degrees 47 minutes 01 seconds East, a distance
8 of 49.50 feet;
9 10. South 02 degrees 12 minutes 59 seconds West, a distance
10 of 1,486.42 feet;
11 11. 1,398.54 feet along the arc of a curve to the left, said
12 curve having a central angle of 03 degrees 27 minutes 58 seconds, a
13 radius of 23,118.32 feet and a chord that bears South 00 degrees 29
14 minutes 00 seconds West, a distance of 1,398.33 feet;
15 12. South 01 degrees 14 minutes 59 seconds East, a distance
16 of 1,972.40 feet;
17 13. South 43 degrees 22 minutes 43 seconds West, a distance
18 of 71.17 feet;
19 14. South 01 degrees 14 minutes 59 seconds East, a distance
20 of 70.13 feet to the common line of aforesaid 2523.670 acre tract
21 and a call 1158.2 acre tract recorded in Volume 3131, Page 393 of
22 the H.C.D.R.;
23 15. Thence, with said common line, South 88 degrees 00
24 minutes 19 seconds West, a distance of 1,250.11 feet;
25 Thence, through said 2523.670 acre tract, the following five
26 (5) courses:
27 16. North 01 degrees 14 minutes 59 seconds West, a distance

1 of 2,109.44 feet;

2 17. 1,477.19 feet along the arc of a curve to the right, said
3 curve having a central angle of 03 degrees 27 minutes 58 seconds, a
4 radius of 24,418.32 feet and a chord that bears North 00 degrees 29
5 minutes 00 seconds East, a distance of 1,476.96 feet;

6 18. North 02 degrees 12 minutes 59 seconds East, a distance
7 of 1,730.52 feet;

8 19. 1,014.11 feet along the arc of a curve to the left, said
9 curve having a central angle of 05 degrees 50 minutes 03 seconds, a
10 radius of 9,959.16 feet and a chord that bears North 00 degrees 42
11 minutes 03 seconds West, a distance of 1,013.67 feet;

12 20. North 68 degrees 09 minutes 04 seconds West, a distance
13 of 2,829.49 feet to the common line of said 2523.670 acre tract and
14 a call 523.376 acre tract of land recorded in Clerk's File Number
15 H793053 of the O.P.R.R.H.C.;

16 21. Thence, with said common line, North 02 degrees 09
17 minutes 14 seconds West, a distance of 157.88 feet;

18 22. Thence, through said 2523.670 acre tract, North 27
19 degrees 35 minutes 08 seconds East, at a distance of 306.42 feet
20 passing an interior corner of said 2523.670 acre tract and the south
21 corner of aforesaid 3.220 acre tract, in all, a total distance of
22 1161.59 feet to the Point of Beginning and containing 296.69 acres
23 of land.

24 SECTION 3. (a) The legal notice of the intention to
25 introduce this Act, setting forth the general substance of this
26 Act, has been published as provided by law, and the notice and a
27 copy of this Act have been furnished to all persons, agencies,

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

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

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

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

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

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 21, 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: HB4662 by Calanni (Relating to the creation of the Richfield Ranch Management District of Harris County, Texas; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 ranch management districts and establish their powers and duties.

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 13, 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: **HB4662** by Calanni (Relating to the creation of the Richfield Ranch Management District of Harris County, Texas; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 ranch management districts and establish their powers and duties.

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 11, 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: **HB4662** by Calanni (Relating to the creation of the Richfield Ranch Management District of Harris County, Texas; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 ranch management districts and establish their powers and duties.

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 17, 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: HB4662 by Calanni (Relating to the creation of the Richfield Ranch Management District of Harris County, Texas; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 ranch management districts and establish their powers and duties.

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 29, 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: HB4662 by Calanni (Relating to the creation of the Richfield Ranch Management District of Harris County, Texas; providing authority to issue bonds; providing authority to impose assessments, fees, and 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 Richfield Ranch Management District of Harris County, Texas (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 Harris County served by small water systems or private wells (County-Other) was 35,856. The Harris County-Other population projections adopted for the 2022 State Water Plan projects the population to grow to 119,216 in 2020 and 153,437 in 2030.

Location - The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Official Public Records of Real Property of Harris County, 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 0.46 square miles in northwest Harris County, located northwest of the City of Houston, and southeast of the City of Waller. The proposed boundary appears to be near the intersection of Texas State Highway 99 (Grand Parkway) and United States Highway 290 (Northwest Freeway).

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; the bill requires the TCEQ to appoint the five initial temporary directors upon receipt of a petition from the owners of a majority of the assessed value of the real property in the district; the bill specifies that Section 49.052, Water Code, related to the disqualification of

directors applies to the members of the board; the District may develop or finance recreational facilities; this bill grants the District authority for road projects; 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 for or employ peace officers under Section 49.216, Water Code; 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 negotiate and enter into a written strategic partnership agreement under Local Government Code Section 43.0751, with a municipality in whose extraterritorial jurisdiction the District is located; the District may negotiate and enter into a written regional participation agreement under Local Government Code Section 43.0754, with a municipality in whose corporate boundaries or extraterritorial jurisdiction the District is locate; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; 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 District may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code; 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 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; Chapter 49.4645, Water Code, states that the District's outstanding principal debt for recreational facilities cannot exceed one percent of the District's current estimated taxable assessed valuation, the bill specifies that this section does not apply 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 board may dissolve the District regardless of whether the District has debt; Section 375.264, Local Government Code, does not apply to the District; if the District has debt when it is dissolved, the District shall remain in existence solely for the purpose of discharging its debts, and the dissolution is effective when all debts have been discharged.

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 Harris County, 77% of the total water use was supplied by surface water, and municipal was the largest volume water use category comprising 70% 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