

SENATE AMENDMENTS

2nd Printing

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H.B. No. 4676

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the Fort Bend County Management
3 District No. 3; providing authority to issue bonds; providing
4 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 3984 to read as follows:

8 CHAPTER 3984. FORT BEND COUNTY MANAGEMENT DISTRICT NO. 3

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3984.0101. DEFINITIONS. In this chapter:

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

12 (2) "County" means Fort Bend County.

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

14 (4) "District" means the Fort Bend County Management
15 District No. 3.

16 Sec. 3984.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

17 (a) The Fort Bend County Management District No. 3 is a special
18 district created under Section 59, Article XVI, Texas Constitution.

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

21 (c) This chapter does not waive any governmental or
22 sovereign immunity from suit, liability, or judgment that would
23 otherwise apply to the district.

24 Sec. 3984.0103. PURPOSE; DECLARATION OF INTENT. (a) The

1 creation of the district is essential to accomplish the purposes of
2 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
3 Texas Constitution, and other public purposes stated in this
4 chapter.

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

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

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

19 Sec. 3984.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

25 (b) The district is created to serve a public use and
26 benefit.

27 (c) The creation of the district is in the public interest

1 and is essential to further the public purposes of:

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

4 (2) eliminating unemployment and underemployment; and

5 (3) developing or expanding transportation and
6 commerce.

7 (d) The district will:

8 (1) promote the health, safety, and general welfare of
9 residents, employers, potential employees, employees, visitors,
10 and consumers in the district, and of the public;

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

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

20 (4) provide for water, wastewater, drainage, road, and
21 recreational facilities for the district.

22 (e) Pedestrian ways along or across a street, whether at
23 grade or above or below the surface, and street lighting, street
24 landscaping, parking, and street art objects are parts of and
25 necessary components of a street and are considered to be a street
26 or road improvement.

27 (f) The district will not act as the agent or

1 instrumentality of any private interest even though the district
2 will benefit many private interests as well as the public.

3 Sec. 3984.0105. INITIAL DISTRICT TERRITORY. (a) The
4 district is initially composed of the territory described by
5 Section 2 of the Act enacting this chapter.

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

10 (1) organization, existence, or validity;

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

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

15 (4) legality or operation.

16 Sec. 3984.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

17 All or any part of the area of the district is eligible to be
18 included in:

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

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

23 (3) an enterprise zone created under Chapter 2303,
24 Government Code; or

25 (4) an industrial district created under Chapter 42,
26 Local Government Code.

27 Sec. 3984.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT

1 DISTRICTS LAW. Except as otherwise provided by this chapter,
2 Chapter 375, Local Government Code, applies to the district.

3 Sec. 3984.0108. CONSTRUCTION OF CHAPTER. This chapter
4 shall be liberally construed in conformity with the findings and
5 purposes stated in this chapter.

6 Sec. 3984.0109. CONFLICTS OF LAW. This chapter prevails
7 over any provision of general law, including a provision of Chapter
8 375, Local Government Code, or Chapter 49, Water Code, that is in
9 conflict or inconsistent with this chapter.

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 3984.0201. GOVERNING BODY; TERMS. (a) The district is
12 governed by a board of five directors elected or appointed as
13 provided by this chapter and Subchapter D, Chapter 49, Water Code.

14 (b) Except as provided by Section 3984.0203, directors
15 serve staggered four-year terms.

16 Sec. 3984.0202. COMPENSATION. A director is entitled to
17 receive fees of office and reimbursement for actual expenses as
18 provided by Section 49.060, Water Code. Sections 375.069 and
19 375.070, Local Government Code, do not apply to the board.

20 Sec. 3984.0203. TEMPORARY DIRECTORS. (a) On or after the
21 effective date of the Act creating this chapter, the owner or owners
22 of a majority of the assessed value of the real property in the
23 district according to the most recent certified tax appraisal roll
24 for the county may submit a petition to the Texas Commission on
25 Environmental Quality requesting that the commission appoint as
26 temporary directors the five persons named in the petition. The
27 commission shall appoint as temporary directors the five persons

1 named in the petition.

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

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

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

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

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

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

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

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

27 Sec. 3984.0204. DISQUALIFICATION OF DIRECTORS. Section

1 49.052, Water Code, applies to the members of the board.

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3984.0301. GENERAL POWERS AND DUTIES. The district
4 has the powers and duties necessary to accomplish the purposes for
5 which the district is created.

6 Sec. 3984.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
7 The district, using any money available to the district for the
8 purpose, may provide, design, construct, acquire, improve,
9 relocate, operate, maintain, or finance an improvement project or
10 service authorized under this chapter or Chapter 375, Local
11 Government Code.

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

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

17 Sec. 3984.0303. RECREATIONAL FACILITIES. The district may
18 develop or finance recreational facilities as authorized by Chapter
19 375, Local Government Code, Sections 52 and 52-a, Article III,
20 Texas Constitution, Section 59, Article XVI, Texas Constitution,
21 and any other law that applies to the district.

22 Sec. 3984.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
23 52, Article III, Texas Constitution, the district may own, operate,
24 maintain, design, acquire, construct, finance, issue bonds, notes,
25 or other obligations for, improve, and convey to this state, a
26 county, or a municipality for ownership, operation, and maintenance
27 macadamized, graveled, or paved roads or improvements, including

1 storm drainage, in aid of those roads.

2 Sec. 3984.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3 (a) The district may convey a road project authorized by Section
4 3984.0304 to:

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

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

11 (b) Except as provided by Subsection (c), the district shall
12 operate and maintain a road project authorized by Section 3984.0304
13 that the district implements and does not convey to a municipality,
14 a county, or this state under Subsection (a).

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

19 Sec. 3984.0306. RAIL FACILITIES. In addition to the powers
20 granted under Section 375.0921(b), Local Government Code, the
21 district may construct, acquire, improve, maintain, finance, and
22 operate rail facilities and improvements in aid of those facilities
23 for the transport of freight and other cargo.

24 Sec. 3984.0307. NONPROFIT CORPORATION. (a) The board by
25 resolution may authorize the creation of a nonprofit corporation to
26 assist and act for the district in implementing a project or
27 providing a service authorized by this chapter.

1 (b) The nonprofit corporation:

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

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

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

13 Sec. 3984.0308. LAW ENFORCEMENT SERVICES. Section 49.216,
14 Water Code, applies to the district.

15 Sec. 3984.0309. 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. 3984.0310. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
20 district may engage in activities that accomplish the economic
21 development 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. 3984.0311. STRATEGIC PARTNERSHIP AGREEMENT. The
7 district may negotiate and enter into a written strategic
8 partnership agreement with a municipality under Section 43.0751,
9 Local Government Code.

10 Sec. 3984.0312. REGIONAL PARTICIPATION AGREEMENT. The
11 district may negotiate and enter into a written regional
12 participation agreement with a municipality under Section 43.0754,
13 Local Government Code.

14 Sec. 3984.0313. PARKING FACILITIES. (a) The district may
15 acquire, lease as lessor or lessee, construct, develop, own,
16 operate, and maintain parking facilities or a system of parking
17 facilities, including lots, garages, parking terminals, or other
18 structures or accommodations for parking motor vehicles off the
19 streets and related appurtenances.

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

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

27 (d) The development and operation of the district's parking

1 facilities may be considered an economic development program.

2 Sec. 3984.0314. ADDING OR EXCLUDING LAND. (a) The district
3 may add land in the manner provided by Subchapter J, Chapter 49,
4 Water Code.

5 (b) The district may exclude land in the manner provided by
6 Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local
7 Government Code, does not apply to the district.

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

12 (d) If the district adopts a sales and use tax authorized at
13 an election held under Section 3984.0602 and subsequently includes
14 new territory in the district under this section, the district:

15 (1) is not required to hold another election to
16 approve the imposition of the sales and use tax in the included
17 territory; and

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

20 (e) If the district adopts a sales and use tax authorized at
21 an election held under Section 3984.0602 and subsequently excludes
22 territory in the district under this section, the sales and use tax
23 is inapplicable to the excluded territory, as provided by Chapter
24 321, Tax Code, but is applicable to the territory remaining in the
25 district.

26 Sec. 3984.0315. DISBURSEMENTS AND TRANSFERS OF MONEY. The
27 board by resolution shall establish the number of directors'

1 signatures and the procedure required for a disbursement or
2 transfer of district money.

3 Sec. 3984.0316. AUDIT EXEMPTION. (a) The district may
4 elect to complete an annual financial report in lieu of an annual
5 audit under Section 375.096(a)(6), Local Government Code, if:

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

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

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

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

18 (c) The annual financial report and affidavit shall be
19 substantially similar in form to the annual financial report and
20 affidavit forms prescribed by the executive director of the Texas
21 Commission on Environmental Quality under Section 49.198, Water
22 Code.

23 Sec. 3984.0317. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

25 SUBCHAPTER D. ASSESSMENTS

26 Sec. 3984.0401. PETITION REQUIRED FOR FINANCING SERVICES
27 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a

1 service or improvement project with assessments under this chapter
2 unless a written petition requesting that service or improvement
3 has been filed with the board.

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

8 Sec. 3984.0402. METHOD OF NOTICE FOR HEARING. The district
9 may mail the notice required by Section 375.115(c), Local
10 Government Code, by certified or first class United States mail.
11 The board shall determine the method of notice.

12 Sec. 3984.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
13 The board by resolution may impose and collect an assessment for any
14 purpose authorized by this chapter in all or any part of the
15 district.

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

21 (1) are a first and prior lien against the property
22 assessed;

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

26 (3) are the personal liability of and a charge against
27 the owners of the property even if the owners are not named in the

1 assessment proceedings.

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

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

10 SUBCHAPTER E. TAXES AND BONDS

11 Sec. 3984.0501. TAX ELECTION REQUIRED. The district must
12 hold an election in the manner provided by Chapter 49, Water Code,
13 or, if applicable, Chapter 375, Local Government Code, to obtain
14 voter approval before the district may impose an ad valorem tax.

15 Sec. 3984.0502. OPERATION AND MAINTENANCE TAX. (a) If
16 authorized by a majority of the district voters voting at an
17 election under Section 3984.0501, the district may impose an
18 operation and maintenance tax on taxable property in the district
19 in the manner provided by Section 49.107, Water Code, for any
20 district purpose, including to:

- 21 (1) maintain and operate the district;
22 (2) construct or acquire improvements; or
23 (3) provide a service.

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

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

1 district.

2 Sec. 3984.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
3 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
4 terms determined by the board.

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

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

13 Sec. 3984.0504. BONDS SECURED BY REVENUE OR CONTRACT
14 PAYMENTS. The district may issue, without an election, bonds
15 secured by:

16 (1) revenue other than ad valorem taxes, including
17 contract revenues; or

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

20 Sec. 3984.0505. BONDS SECURED BY AD VALOREM TAXES;
21 ELECTIONS. (a) If authorized at an election under Section
22 3984.0501, the district may issue bonds payable from ad valorem
23 taxes.

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

26 (c) At the time the district issues bonds payable wholly or
27 partly from ad valorem taxes, the board shall provide for the annual

1 imposition of a continuing direct annual ad valorem tax, without
2 limit as to rate or amount, for each year that all or part of the
3 bonds are outstanding as required and in the manner provided by
4 Sections 54.601 and 54.602, Water Code.

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

9 Sec. 3984.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
10 board may not hold an election under Section 3984.0501, issue
11 bonds, or incur any debt until each municipality in whose corporate
12 limits or extraterritorial jurisdiction the district is located has
13 consented by ordinance or resolution to the creation of the
14 district and to the inclusion of land in the district.

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

17 SUBCHAPTER F. SALES AND USE TAX

18 Sec. 3984.0601. APPLICABILITY OF CERTAIN TAX CODE
19 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
20 computation, administration, enforcement, and collection of the
21 sales and use tax authorized by this subchapter except to the extent
22 Chapter 321, Tax Code, is inconsistent with this chapter.

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

26 Sec. 3984.0602. ELECTION; ADOPTION OF TAX. (a) The
27 district may adopt a sales and use tax if authorized by a majority

1 of the voters of the district voting at an election held for that
2 purpose.

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

7 (c) The ballot shall be printed to provide for voting for or
8 against the proposition: "Authorization of a sales and use tax in
9 the Fort Bend County Management District No. 3 at a rate not to
10 exceed _____ percent" (insert rate of one or more increments of
11 one-eighth of one percent).

12 Sec. 3984.0603. SALES AND USE TAX RATE. (a) On or after the
13 date the results are declared of an election held under Section
14 3984.0602, at which the voters approved imposition of the tax
15 authorized by this subchapter, the board shall determine and adopt
16 by resolution or order the initial rate of the tax, which must be in
17 one or more increments of one-eighth of one percent.

18 (b) After the election held under Section 3984.0602, the
19 board may increase or decrease the rate of the tax by one or more
20 increments of one-eighth of one percent.

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

23 (1) the maximum rate authorized by the district voters
24 at the election held under Section 3984.0602; or

25 (2) a rate that, when added to the rates of all sales
26 and use taxes imposed by other political subdivisions with
27 territory in the district, would result in the maximum combined

1 rate prescribed by Section 321.101(f), Tax Code, at any location in
2 the district.

3 Sec. 3984.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
4 section applies to the district after a municipality annexes part
5 of the territory in the district and imposes the municipality's
6 sales and use tax in the annexed territory.

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

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

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

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

23 Sec. 3984.0605. NOTIFICATION OF RATE CHANGE. The board
24 shall notify the comptroller of any changes made to the tax rate
25 under this subchapter in the same manner the municipal secretary
26 provides notice to the comptroller under Section 321.405(b), Tax
27 Code.

1 Sec. 3984.0606. USE OF REVENUE. Revenue from the sales and
2 use tax imposed under this subchapter is for the use and benefit of
3 the district and may be used for any district purpose. The district
4 may pledge all or part of the revenue to the payment of bonds,
5 notes, or other obligations, and that pledge of revenue may be in
6 combination with other revenue, including tax revenue, available to
7 the district.

8 Sec. 3984.0607. ABOLITION OF TAX. (a) Except as provided
9 by Subsection (b), the board may abolish the tax imposed under this
10 subchapter without an election.

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

15 (c) If the board abolishes the tax, the board shall notify
16 the comptroller of that action in the same manner the municipal
17 secretary provides notice to the comptroller under Section
18 321.405(b), Tax Code.

19 (d) If the board abolishes the tax or decreases the tax rate
20 to zero, a new election to authorize a sales and use tax must be held
21 under Section 3984.0602 before the district may subsequently impose
22 the tax.

23 (e) This section does not apply to a decrease in the sales
24 and use tax authorized under Section 3984.0604(c)(2).

25 SUBCHAPTER G. HOTEL OCCUPANCY TAX

26 Sec. 3984.0701. DEFINITION. In this subchapter, "hotel"
27 has the meaning assigned by Section 156.001, Tax Code.

1 Sec. 3984.0702. APPLICABILITY OF CERTAIN TAX CODE
2 PROVISIONS. (a) For purposes of this subchapter:

3 (1) a reference in Subchapter A, Chapter 352, Tax
4 Code, to a county is a reference to the district; and

5 (2) a reference in Subchapter A, Chapter 352, Tax
6 Code, to the commissioners court is a reference to the board.

7 (b) Except as inconsistent with this subchapter, Subchapter
8 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
9 by this subchapter, including the collection of the tax, subject to
10 the limitations prescribed by Sections 352.002(b) and (c), Tax
11 Code.

12 Sec. 3984.0703. TAX AUTHORIZED; USE OF REVENUE. The
13 district may impose a hotel occupancy tax for any purpose described
14 by Section 351.101 or 352.101, Tax Code.

15 Sec. 3984.0704. TAX RATE. (a) The amount of the hotel
16 occupancy tax may not exceed the lesser of:

17 (1) the maximum rate prescribed by Section 352.003(a),
18 Tax Code; or

19 (2) a rate that, when added to the rates of all hotel
20 occupancy taxes imposed by other political subdivisions with
21 territory in the district and by this state, does not exceed the sum
22 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
23 percent.

24 (b) The district tax is in addition to a tax imposed by a
25 municipality under Chapter 351, Tax Code, or by the county under
26 Chapter 352, Tax Code.

27 Sec. 3984.0705. INFORMATION. The district may examine and

1 receive information related to the imposition of hotel occupancy
2 taxes to the same extent as if the district were a county.

3 Sec. 3984.0706. USE OF REVENUE. The district may use
4 revenue from the hotel occupancy tax for any district purpose that
5 is an authorized use of hotel occupancy tax revenue under Chapter
6 351 or 352, Tax Code. The district may pledge all or part of the
7 revenue to the payment of bonds, notes, or other obligations and
8 that pledge of revenue may be in combination with other revenue
9 available to the district.

10 Sec. 3984.0707. ABOLITION OF TAX. (a) Except as provided
11 by Subsection (b), the board may abolish the tax imposed under this
12 subchapter.

13 (b) The board may not abolish the tax imposed under this
14 subchapter if the district has outstanding debt secured by the tax,
15 and repayment of the debt would be impaired by the abolition of the
16 tax.

17 SUBCHAPTER I. DISSOLUTION BY BOARD

18 Sec. 3984.0901. DISSOLUTION OF DISTRICT WITH OUTSTANDING
19 DEBT. (a) The board may dissolve the district regardless of
20 whether the district has debt. Section 375.264, Local Government
21 Code, does not apply to the district.

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

26 SECTION 2. The Fort Bend County Management District No. 3
27 initially includes all the territory contained in the following

1 area:

2 Being approximately 763.4 acres located in the John Jones
3 Survey, Abstract 41, the Wiley Martin League, Abstract 56, the
4 Peter Teal Survey, Abstract 337, and the M. M. Ryon Survey, Abstract
5 368, and located in extraterritorial jurisdiction of the Town of
6 Thompsons, Fort Bend County, Texas, more particularly described by
7 metes and bounds as follows, (all bearings referenced to the Texas
8 Coordinate System, South Central Zone, NAD83):

9 Commencing for reference at the southeast corner of the Abner
10 Kuykendall League, Abstract 48, said corner being in the northeast
11 line of said John Jones Survey;

12 Thence, North $67^{\circ} 34' 45''$ West, 1,111.11 feet along the
13 northeast line of said John Jones Survey to the north corner of the
14 said John Jones Survey and east corner of said Wiley Martin League;

15 Thence, South $52^{\circ} 25' 15''$ West, 6,921.88 feet to the POINT OF
16 BEGINNING of the herein described tract, said point being at the
17 intersection of the west right-of-way line of State Farm to Market
18 Road No. 762 (called 80 feet wide) and the southeast line of said
19 Wiley Martin League and northwest line of said John Jones Survey;

20 Thence, Southerly along the west right-of-way line of said
21 State Farm to Market Road No. 762 with the following eleven (11)
22 courses and distances:

23 1. South $08^{\circ} 51' 57''$ East, 1,050.20 feet, more or less, to
24 point, the beginning of a curve;

25 2. 194.68 feet, more or less, along the arc of a tangent
26 curve to the left, having a radius of 5,212.24 feet, a central angle
27 of $02^{\circ} 08' 24''$, and a chord which bears South $09^{\circ} 56' 09''$ East, 194.67

1 feet to a point for corner;
2 3. South 11° 00' 23" East, 117.20 feet, more or less, to a
3 point;
4 4. South 07° 11' 32" East, 150.33 feet, more or less, to a
5 point;
6 5. South 11° 00' 23" East, 450.00 feet, more or less, to a
7 point;
8 6. South 16° 43' 01" East, 100.50 feet, more or less, to a
9 point;
10 7. South 11° 00' 23" East, 340.80 feet, more or less, to
11 point, the beginning of a curve;
12 8. 402.80 feet, more or less, along the arc of a tangent
13 curve to the right, having a radius of 685.50 feet, a central angle
14 of 33° 40' 00", and a chord which bears South 05° 49' 37" West, 397.03
15 feet to a point for corner;
16 9. South 22° 24' 43" West, at 248.71 feet pass a point in the
17 North line of the Entrance Road, in all 330.91 feet, more or less,
18 to a point in the South line of said Entrance Road to George Park;
19 10. South 22° 50' 06" West, 568.79 feet, more or less, to an
20 angle point;
21 11. South 22° 29' 40" West, 1,570.38 feet, more or less, to
22 the southeast corner of this tract;
23 Thence, North 67° 30' 40" West, departing the west
24 right-of-way line of said State Farm to Market Road No. 762,
25 2,249.84 feet, more or less, to the southwest corner of this tract,
26 said point being in the centerline of a farm road;
27 Thence, North 25° 06' 53" East, along the centerline of a farm

1 road, 843.77 feet, more or less, to a point for corner in the
2 northwesterly line of the aforementioned M. M. Ryon Survey and the
3 southeasterly line of the aforementioned Peter Teal Survey;

4 Thence, South 42° 04' 42" West, with the common survey line of
5 said M. M. Ryon and Peter Teal Surveys, 3,389.92 feet, more or less,
6 to a point for the common east corner of said Peter Teal Survey and
7 the William Byrne Survey, Abstract 112, Fort Bend County Texas;

8 Thence, North 47° 55' 18" West, with the common survey line of
9 said Peter Teal and said William Byrne Survey, 4,536.11 feet, more
10 or less, to a point for the common west corner of said Peter Teal and
11 William Byrne Surveys, same being in the southeasterly line of the
12 Henry Wilcox Survey, Abstract 342, Fort Bend County, Texas;

13 Thence, North 42° 04' 42" East, with the common survey line of
14 said Peter Teal Survey and said Henry Wilcox Survey, 1,661.11 feet,
15 more or less, to a point for the common north corner of said Peter
16 Teal and Henry Wilcox Surveys, same being on the southwesterly line
17 of the aforementioned Wiley Martin League;

18 Thence, South 67° 54' 35" East, with the common line of said
19 Peter Teal and Wiley Martin Leagues, 3,158.33 feet, more or less, to
20 an angle point for corner;

21 Thence, North 52° 04' 42" East, continuing with said common
22 line, 1,929.30 feet, more or less, to a point for corner;

23 Thence, departing the northeasterly line of said Peter Teal
24 Survey and the southerly line of said Wiley Martin League, westerly
25 and northerly along the centerline of a farm road the following
26 eleven (11) courses and distances:

27 1. North 15° 05' 08" East, 224.85 feet, more or less, to a

1 point for corner;
2 2. North 45° 58' 21" West, 1,101.01 feet, more or less, to a
3 point for corner;
4 3. North 39° 47' 43" West, 109.50 feet, more or less, to a
5 point for corner;
6 4. North 16° 57' 20" West, 99.03 feet, more or less, to a
7 point for corner;
8 5. North 13° 29' 08" West, 438.57 feet, more or less, to a
9 point for corner;
10 6. North 13° 38' 07" West, 1,498.84 feet, more or less, to a
11 point for corner;
12 7. North 18° 59' 40" West, 80.30 feet, more or less, to a
13 point for corner;
14 8. North 42° 20' 03" West, 62.14 feet, more or less, to a
15 point for corner;
16 9. North 60° 52' 39" West, 236.49 feet, more or less, to a
17 point for corner;
18 10. North 00° 52' 17" West, 160.45 feet, more or less, to a
19 point for corner on a bridge at the centerline of Dry Creek for
20 angle point;
21 11. North 00° 38' 30" West, 174.07 feet, more or less, to the
22 northwest corner of this tract;
23 Thence, North 66° 38' 04" East, departing said road, 278.20
24 feet, more or less, to a point for corner;
25 Thence, South 86° 26' 20" East, 71.37 feet, more or less, to a
26 point for corner;
27 Thence, North 48° 36' 58" East, 126.06 feet, more or less, to a

1 point for corner;

2 Thence, North 88° 02' 53" East, 131.33 feet, more or less, to a
3 point for corner;

4 Thence, North 68° 30' 10" East, 1,817.67 feet, more or less,
5 to a point for re-entrant corner of this tract;

6 Thence, North 38° 15' 23" West, 140.20 feet, more or less, to a
7 point for corner;

8 Thence, North 69° 38' 00" East, 224.50 feet, more or less, to
9 the north corner of this tract, same being on the westerly
10 right-of-way line of the aforementioned State Farm to Market Road
11 No. 762;

12 Thence, South 38° 09' 57" East, with said westerly
13 right-of-way line, 1,241.87 feet, more or less, to the north corner
14 of a State of Texas 2.2750 acre Tract;

15 Thence, with the northerly, westerly, and southerly lines of
16 said 2.2750 acre tract the following five (5) courses and
17 distances:

18 1. South 51° 50' 03" West, 20.00 feet, more or less, to a
19 point for corner;

20 2. South 38° 09' 57" East, 100.00 feet, more or less, to a
21 point for corner, the beginning of a curve;

22 3. 1,710.57 feet, more or less, along the arc of a tangent
23 curve to the right, having a radius of 3,345.00 feet, a central
24 angle of 29° 18' 00", and a chord which bears South 23° 30' 57" East,
25 1,691.99 feet to a point for corner;

26 4. South 08° 51' 57" East, 100.00 feet, more or less, to a
27 point for corner;

1 5. North 81° 08' 03" East, 20.00 feet, more or less, to a
2 point for corner in the westerly right-of-way line of said State
3 Farm Market Road No. 762;

4 Thence, South 08° 51' 57" East, along said westerly
5 right-of-way line, 289.74 feet, more or less, to the POINT OF
6 BEGINNING and containing approximately 763.4 acres of land.

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

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

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

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

25 SECTION 4. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

H.B. No. 4676

1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2019.

ADOPTED

MAY 22 2019

Henry Gaud
Secretary of the Senate

By: Stephenson/Huffman

H.B. No. 4676

Substitute the following for H.B. No. 4676 :

By: *Jadri Lucio, Jr.*

C.S. .B. No.

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the Fort Bend County Management
3 District No. 3; providing authority to issue bonds; providing
4 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 3984 to read as follows:

8 CHAPTER 3984. FORT BEND COUNTY MANAGEMENT DISTRICT NO. 3

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 3984.0101. DEFINITIONS. In this chapter:

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

12 (2) "County" means Fort Bend County.

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

14 (4) "District" means the Fort Bend County Management

15 District No. 3.

16 Sec. 3984.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY.

17 (a) The Fort Bend County Management District No. 3 is a special
18 district created under Section 59, Article XVI, Texas Constitution.

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

21 (c) This chapter does not waive any governmental or
22 sovereign immunity from suit, liability, or judgment that would
23 otherwise apply to the district.

24 Sec. 3984.0103. PURPOSE; DECLARATION OF INTENT. (a) The

1 creation of the district is essential to accomplish the purposes of
2 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
3 Texas Constitution, and other public purposes stated in this
4 chapter.

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

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

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

19 Sec. 3984.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

25 (b) The district is created to serve a public use and
26 benefit.

27 (c) The creation of the district is in the public interest

1 and is essential to further the public purposes of:

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

4 (2) eliminating unemployment and underemployment; and

5 (3) developing or expanding transportation and
6 commerce.

7 (d) The district will:

8 (1) promote the health, safety, and general welfare of
9 residents, employers, potential employees, employees, visitors,
10 and consumers in the district, and of the public;

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

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

20 (4) provide for water, wastewater, drainage, road, and
21 recreational facilities for the district.

22 (e) Pedestrian ways along or across a street, whether at
23 grade or above or below the surface, and street lighting, street
24 landscaping, parking, and street art objects are parts of and
25 necessary components of a street and are considered to be a street
26 or road improvement.

27 (f) The district will not act as the agent or

1 instrumentality of any private interest even though the district
2 will benefit many private interests as well as the public.

3 Sec. 3984.0105. INITIAL DISTRICT TERRITORY. (a) The
4 district is initially composed of the territory described by
5 Section 2 of the Act enacting this chapter.

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

10 (1) organization, existence, or validity;

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

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

15 (4) legality or operation.

16 Sec. 3984.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

17 All or any part of the area of the district is eligible to be
18 included in:

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

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

23 (3) an enterprise zone created under Chapter 2303,
24 Government Code; or

25 (4) an industrial district created under Chapter 42,
26 Local Government Code.

27 Sec. 3984.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT

1 DISTRICTS LAW. Except as otherwise provided by this chapter,
2 Chapter 375, Local Government Code, applies to the district.

3 Sec. 3984.0108. CONSTRUCTION OF CHAPTER. This chapter
4 shall be liberally construed in conformity with the findings and
5 purposes stated in this chapter.

6 Sec. 3984.0109. CONFLICTS OF LAW. This chapter prevails
7 over any provision of general law, including a provision of Chapter
8 375, Local Government Code, or Chapter 49, Water Code, that is in
9 conflict or inconsistent with this chapter.

10 SUBCHAPTER B. BOARD OF DIRECTORS

11 Sec. 3984.0201. GOVERNING BODY; TERMS. (a) The district is
12 governed by a board of five directors elected or appointed as
13 provided by this chapter and Subchapter D, Chapter 49, Water Code.

14 (b) Except as provided by Section 3984.0203, directors
15 serve staggered four-year terms.

16 Sec. 3984.0202. COMPENSATION. A director is entitled to
17 receive fees of office and reimbursement for actual expenses as
18 provided by Section 49.060, Water Code. Sections 375.069 and
19 375.070, Local Government Code, do not apply to the board.

20 Sec. 3984.0203. TEMPORARY DIRECTORS. (a) On or after the
21 effective date of the Act creating this chapter, the owner or owners
22 of a majority of the assessed value of the real property in the
23 district according to the most recent certified tax appraisal roll
24 for the county may submit a petition to the Texas Commission on
25 Environmental Quality requesting that the commission appoint as
26 temporary directors the five persons named in the petition. The
27 commission shall appoint as temporary directors the five persons

1 named in the petition.

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

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

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

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

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

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

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

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

27 Sec. 3984.0204. DISQUALIFICATION OF DIRECTORS. Section

1 49.052, Water Code, applies to the members of the board.

2 SUBCHAPTER C. POWERS AND DUTIES

3 Sec. 3984.0301. GENERAL POWERS AND DUTIES. The district
4 has the powers and duties necessary to accomplish the purposes for
5 which the district is created.

6 Sec. 3984.0302. IMPROVEMENT PROJECTS AND SERVICES. (a)
7 The district, using any money available to the district for the
8 purpose, may provide, design, construct, acquire, improve,
9 relocate, operate, maintain, or finance an improvement project or
10 service authorized under this chapter or Chapter 375, Local
11 Government Code.

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

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

17 Sec. 3984.0303. RECREATIONAL FACILITIES. The district may
18 develop or finance recreational facilities as authorized by Chapter
19 375, Local Government Code, Sections 52 and 52-a, Article III,
20 Texas Constitution, Section 59, Article XVI, Texas Constitution,
21 and any other law that applies to the district.

22 Sec. 3984.0304. AUTHORITY FOR ROAD PROJECTS. Under Section
23 52, Article III, Texas Constitution, the district may own, operate,
24 maintain, design, acquire, construct, finance, issue bonds, notes,
25 or other obligations for, improve, and convey to this state, a
26 county, or a municipality for ownership, operation, and maintenance
27 macadamized, graveled, or paved roads or improvements, including

1 storm drainage, in aid of those roads.

2 Sec. 3984.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

3 (a) The district may convey a road project authorized by Section
4 3984.0304 to:

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

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

11 (b) Except as provided by Subsection (c), the district shall
12 operate and maintain a road project authorized by Section 3984.0304
13 that the district implements and does not convey to a municipality,
14 a county, or this state under Subsection (a).

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

19 Sec. 3984.0306. RAIL FACILITIES. In addition to the powers
20 granted under Section 375.0921(b), Local Government Code, the
21 district may construct, acquire, improve, maintain, finance, and
22 operate rail facilities and improvements in aid of those facilities
23 for the transport of freight and other cargo.

24 Sec. 3984.0307. NONPROFIT CORPORATION. (a) The board by
25 resolution may authorize the creation of a nonprofit corporation to
26 assist and act for the district in implementing a project or
27 providing a service authorized by this chapter.

1 (b) The nonprofit corporation:

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

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

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

13 Sec. 3984.0308. LAW ENFORCEMENT SERVICES. Section 49.216,
14 Water Code, applies to the district.

15 Sec. 3984.0309. 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. 3984.0310. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
20 district may engage in activities that accomplish the economic
21 development 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. 3984.0311. STRATEGIC PARTNERSHIP AGREEMENT. The
7 district may negotiate and enter into a written strategic
8 partnership agreement with a municipality under Section 43.0751,
9 Local Government Code.

10 Sec. 3984.0312. REGIONAL PARTICIPATION AGREEMENT. The
11 district may negotiate and enter into a written regional
12 participation agreement with a municipality under Section 43.0754,
13 Local Government Code.

14 Sec. 3984.0313. PARKING FACILITIES. (a) The district may
15 acquire, lease as lessor or lessee, construct, develop, own,
16 operate, and maintain parking facilities or a system of parking
17 facilities, including lots, garages, parking terminals, or other
18 structures or accommodations for parking motor vehicles off the
19 streets and related appurtenances.

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

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

27 (d) The development and operation of the district's parking

1 facilities may be considered an economic development program.

2 Sec. 3984.0314. ADDING OR EXCLUDING LAND. (a) The district
3 may add land in the manner provided by Subchapter J, Chapter 49,
4 Water Code.

5 (b) The district may exclude land in the manner provided by
6 Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local
7 Government Code, does not apply to the district.

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

12 (d) If the district adopts a sales and use tax authorized at
13 an election held under Section 3984.0602 and subsequently includes
14 new territory in the district under this section, the district:

15 (1) is not required to hold another election to
16 approve the imposition of the sales and use tax in the included
17 territory; and

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

20 (e) If the district adopts a sales and use tax authorized at
21 an election held under Section 3984.0602 and subsequently excludes
22 territory in the district under this section, the sales and use tax
23 is inapplicable to the excluded territory, as provided by Chapter
24 321, Tax Code, but is applicable to the territory remaining in the
25 district.

26 Sec. 3984.0315. DISBURSEMENTS AND TRANSFERS OF MONEY. The
27 board by resolution shall establish the number of directors'

1 signatures and the procedure required for a disbursement or
2 transfer of district money.

3 Sec. 3984.0316. AUDIT EXEMPTION. (a) The district may
4 elect to complete an annual financial report in lieu of an annual
5 audit under Section 375.096(a)(6), Local Government Code, if:

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

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

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

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

18 (c) The annual financial report and affidavit shall be
19 substantially similar in form to the annual financial report and
20 affidavit forms prescribed by the executive director of the Texas
21 Commission on Environmental Quality under Section 49.198, Water
22 Code.

23 Sec. 3984.0317. NO EMINENT DOMAIN POWER. The district may
24 not exercise the power of eminent domain.

25 SUBCHAPTER D. ASSESSMENTS

26 Sec. 3984.0401. PETITION REQUIRED FOR FINANCING SERVICES
27 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a

1 service or improvement project with assessments under this chapter
2 unless a written petition requesting that service or improvement
3 has been filed with the board.

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

8 Sec. 3984.0402. METHOD OF NOTICE FOR HEARING. The district
9 may mail the notice required by Section 375.115(c), Local
10 Government Code, by certified or first class United States mail.
11 The board shall determine the method of notice.

12 Sec. 3984.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a)
13 The board by resolution may impose and collect an assessment for any
14 purpose authorized by this chapter in all or any part of the
15 district.

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

21 (1) are a first and prior lien against the property
22 assessed;

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

26 (3) are the personal liability of and a charge against
27 the owners of the property even if the owners are not named in the

1 assessment proceedings.

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

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

10 SUBCHAPTER E. TAXES AND BONDS

11 Sec. 3984.0501. TAX ELECTION REQUIRED. The district must
12 hold an election in the manner provided by Chapter 49, Water Code,
13 or, if applicable, Chapter 375, Local Government Code, to obtain
14 voter approval before the district may impose an ad valorem tax.

15 Sec. 3984.0502. OPERATION AND MAINTENANCE TAX. (a) If
16 authorized by a majority of the district voters voting at an
17 election under Section 3984.0501, the district may impose an
18 operation and maintenance tax on taxable property in the district
19 in the manner provided by Section 49.107, Water Code, for any
20 district purpose, including to:

- 21 (1) maintain and operate the district;
22 (2) construct or acquire improvements; or
23 (3) provide a service.

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

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

1 district.

2 Sec. 3984.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
3 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
4 terms determined by the board.

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

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

13 Sec. 3984.0504. BONDS SECURED BY REVENUE OR CONTRACT
14 PAYMENTS. The district may issue, without an election, bonds
15 secured by:

16 (1) revenue other than ad valorem taxes, including
17 contract revenues; or

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

20 Sec. 3984.0505. BONDS SECURED BY AD VALOREM TAXES;
21 ELECTIONS. (a) If authorized at an election under Section
22 3984.0501, the district may issue bonds payable from ad valorem
23 taxes.

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

26 (c) At the time the district issues bonds payable wholly or
27 partly from ad valorem taxes, the board shall provide for the annual

1 imposition of a continuing direct annual ad valorem tax, without
2 limit as to rate or amount, for each year that all or part of the
3 bonds are outstanding as required and in the manner provided by
4 Sections 54.601 and 54.602, Water Code.

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

9 Sec. 3984.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
10 board may not hold an election under Section 3984.0501, issue
11 bonds, or incur any debt until each municipality in whose corporate
12 limits or extraterritorial jurisdiction the district is located has
13 consented by ordinance or resolution to the creation of the
14 district and to the inclusion of land in the district.

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

17 SUBCHAPTER F. SALES AND USE TAX

18 Sec. 3984.0601. APPLICABILITY OF CERTAIN TAX CODE
19 PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition,
20 computation, administration, enforcement, and collection of the
21 sales and use tax authorized by this subchapter except to the extent
22 Chapter 321, Tax Code, is inconsistent with this chapter.

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

26 Sec. 3984.0602. ELECTION; ADOPTION OF TAX. (a) The
27 district may adopt a sales and use tax if authorized by a majority

1 of the voters of the district voting at an election held for that
2 purpose.

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

7 (c) The ballot shall be printed to provide for voting for or
8 against the proposition: "Authorization of a sales and use tax in
9 the Fort Bend County Management District No. 3 at a rate not to
10 exceed ____ percent" (insert rate of one or more increments of
11 one-eighth of one percent).

12 Sec. 3984.0603. SALES AND USE TAX RATE. (a) On or after the
13 date the results are declared of an election held under Section
14 3984.0602, at which the voters approved imposition of the tax
15 authorized by this subchapter, the board shall determine and adopt
16 by resolution or order the initial rate of the tax, which must be in
17 one or more increments of one-eighth of one percent.

18 (b) After the election held under Section 3984.0602, the
19 board may increase or decrease the rate of the tax by one or more
20 increments of one-eighth of one percent.

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

23 (1) the maximum rate authorized by the district voters
24 at the election held under Section 3984.0602; or

25 (2) a rate that, when added to the rates of all sales
26 and use taxes imposed by other political subdivisions with
27 territory in the district, would result in the maximum combined

1 rate prescribed by Section 321.101(f), Tax Code, at any location in
2 the district.

3 Sec. 3984.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This
4 section applies to the district after a municipality annexes part
5 of the territory in the district and imposes the municipality's
6 sales and use tax in the annexed territory.

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

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

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

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

23 Sec. 3984.0605. NOTIFICATION OF RATE CHANGE. The board
24 shall notify the comptroller of any changes made to the tax rate
25 under this subchapter in the same manner the municipal secretary
26 provides notice to the comptroller under Section 321.405(b), Tax
27 Code.

1 Sec. 3984.0606. USE OF REVENUE. Revenue from the sales and
2 use tax imposed under this subchapter is for the use and benefit of
3 the district and may be used for any district purpose. The district
4 may pledge all or part of the revenue to the payment of bonds,
5 notes, or other obligations, and that pledge of revenue may be in
6 combination with other revenue, including tax revenue, available to
7 the district.

8 Sec. 3984.0607. ABOLITION OF TAX. (a) Except as provided
9 by Subsection (b), the board may abolish the tax imposed under this
10 subchapter without an election.

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

15 (c) If the board abolishes the tax, the board shall notify
16 the comptroller of that action in the same manner the municipal
17 secretary provides notice to the comptroller under Section
18 321.405(b), Tax Code.

19 (d) If the board abolishes the tax or decreases the tax rate
20 to zero, a new election to authorize a sales and use tax must be held
21 under Section 3984.0602 before the district may subsequently impose
22 the tax.

23 (e) This section does not apply to a decrease in the sales
24 and use tax authorized under Section 3984.0604(c)(2).

25 SUBCHAPTER G. HOTEL OCCUPANCY TAX

26 Sec. 3984.0701. DEFINITION. In this subchapter, "hotel"
27 has the meaning assigned by Section 156.001, Tax Code.

1 Sec. 3984.0702. APPLICABILITY OF CERTAIN TAX CODE
2 PROVISIONS. (a) For purposes of this subchapter:

3 (1) a reference in Subchapter A, Chapter 352, Tax
4 Code, to a county is a reference to the district; and

5 (2) a reference in Subchapter A, Chapter 352, Tax
6 Code, to the commissioners court is a reference to the board.

7 (b) Except as inconsistent with this subchapter, Subchapter
8 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
9 by this subchapter, including the collection of the tax, subject to
10 the limitations prescribed by Sections 352.002(b) and (c), Tax
11 Code.

12 Sec. 3984.0703. TAX AUTHORIZED; USE OF REVENUE. The
13 district may impose a hotel occupancy tax for any purpose described
14 by Section 351.101 or 352.101, Tax Code.

15 Sec. 3984.0704. TAX RATE. (a) The amount of the hotel
16 occupancy tax may not exceed the lesser of:

17 (1) the maximum rate prescribed by Section 352.003(a),
18 Tax Code; or

19 (2) a rate that, when added to the rates of all hotel
20 occupancy taxes imposed by other political subdivisions with
21 territory in the district and by this state, does not exceed the sum
22 of the rate prescribed by Section 351.0025(b), Tax Code, plus two
23 percent.

24 (b) The district tax is in addition to a tax imposed by a
25 municipality under Chapter 351, Tax Code, or by the county under
26 Chapter 352, Tax Code.

27 Sec. 3984.0705. INFORMATION. The district may examine and

1 receive information related to the imposition of hotel occupancy
2 taxes to the same extent as if the district were a county.

3 Sec. 3984.0706. USE OF REVENUE. The district may use
4 revenue from the hotel occupancy tax for any district purpose that
5 is an authorized use of hotel occupancy tax revenue under Chapter
6 351 or 352, Tax Code. The district may pledge all or part of the
7 revenue to the payment of bonds, notes, or other obligations and
8 that pledge of revenue may be in combination with other revenue
9 available to the district.

10 Sec. 3984.0707. ABOLITION OF TAX. (a) Except as provided
11 by Subsection (b), the board may abolish the tax imposed under this
12 subchapter.

13 (b) The board may not abolish the tax imposed under this
14 subchapter if the district has outstanding debt secured by the tax,
15 and repayment of the debt would be impaired by the abolition of the
16 tax.

17 SUBCHAPTER I. DISSOLUTION

18 Sec. 3984.0901. DISSOLUTION. (a) The board shall dissolve
19 the district on written petition filed with the board by the owners
20 of:

21 (1) 66 percent or more of the assessed value of the
22 property subject to assessment by the district based on the most
23 recent certified county property tax rolls; or

24 (2) 66 percent or more of the surface area of the
25 district, excluding roads, streets, highways, utility
26 rights-of-way, other public areas, and other property exempt from
27 assessment by the district according to the most recent certified

1 county property tax rolls.

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

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

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

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

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

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

18 SECTION 2. The Fort Bend County Management District No. 3
19 initially includes all the territory contained in the following
20 area:

21 Being approximately 763.4 acres located in the John Jones
22 Survey, Abstract 41, the Wiley Martin League, Abstract 56, the
23 Peter Teal Survey, Abstract 337, and the M. M. Ryon Survey, Abstract
24 368, and located in extraterritorial jurisdiction of the Town of
25 Thompsons, Fort Bend County, Texas, more particularly described by
26 metes and bounds as follows, (all bearings referenced to the Texas
27 Coordinate System, South Central Zone, NAD83):

1 Commencing for reference at the southeast corner of the Abner
2 Kuykendall League, Abstract 48, said corner being in the northeast
3 line of said John Jones Survey;

4 Thence, North 67° 34' 45" West, 1,111.11 feet along the
5 northeast line of said John Jones Survey to the north corner of the
6 said John Jones Survey and east corner of said Wiley Martin League;

7 Thence, South 52° 25' 15" West, 6,921.88 feet to the POINT OF
8 BEGINNING of the herein described tract, said point being at the
9 intersection of the west right-of-way line of State Farm to Market
10 Road No. 762 (called 80 feet wide) and the southeast line of said
11 Wiley Martin League and northwest line of said John Jones Survey;

12 Thence, Southerly along the west right-of-way line of said
13 State Farm to Market Road No. 762 with the following eleven (11)
14 courses and distances:

15 1. South 08° 51' 57" East, 1,050.20 feet, more or less, to
16 point, the beginning of a curve;

17 2. 194.68 feet, more or less, along the arc of a tangent
18 curve to the left, having a radius of 5,212.24 feet, a central angle
19 of 02° 08' 24", and a chord which bears South 09° 56' 09" East, 194.67
20 feet to a point for corner;

21 3. South 11° 00' 23" East, 117.20 feet, more or less, to a
22 point;

23 4. South 07° 11' 32" East, 150.33 feet, more or less, to a
24 point;

25 5. South 11° 00' 23" East, 450.00 feet, more or less, to a
26 point;

27 6. South 16° 43' 01" East, 100.50 feet, more or less, to a

1 point;

2 7. South 11° 00' 23" East, 340.80 feet, more or less, to
3 point, the beginning of a curve;

4 8. 402.80 feet, more or less, along the arc of a tangent
5 curve to the right, having a radius of 685.50 feet, a central angle
6 of 33° 40' 00", and a chord which bears South 05° 49' 37" West, 397.03
7 feet to a point for corner;

8 9. South 22° 24' 43" West, at 248.71 feet pass a point in the
9 North line of the Entrance Road, in all 330.91 feet, more or less,
10 to a point in the South line of said Entrance Road to George Park;

11 10. South 22° 50' 06" West, 568.79 feet, more or less, to an
12 angle point;

13 11. South 22° 29' 40" West, 1,570.38 feet, more or less, to
14 the southeast corner of this tract;

15 Thence, North 67° 30' 40" West, departing the west
16 right-of-way line of said State Farm to Market Road No. 762,
17 2,249.84 feet, more or less, to the southwest corner of this tract,
18 said point being in the centerline of a farm road;

19 Thence, North 25° 06' 53" East, along the centerline of a farm
20 road, 843.77 feet, more or less, to a point for corner in the
21 northwesterly line of the aforementioned M. M. Ryon Survey and the
22 southeasterly line of the aforementioned Peter Teal Survey;

23 Thence, South 42° 04' 42" West, with the common survey line of
24 said M. M. Ryon and Peter Teal Surveys, 3,389.92 feet, more or less,
25 to a point for the common east corner of said Peter Teal Survey and
26 the William Byrne Survey, Abstract 112, Fort Bend County Texas;

27 Thence, North 47° 55' 18" West, with the common survey line of

1 said Peter Teal and said William Byrne Survey, 4,536.11 feet, more
2 or less, to a point for the common west corner of said Peter Teal and
3 William Byrne Surveys, same being in the southeasterly line of the
4 Henry Wilcox Survey, Abstract 342, Fort Bend County, Texas;

5 Thence, North 42° 04' 42" East, with the common survey line of
6 said Peter Teal Survey and said Henry Wilcox Survey, 1,661.11 feet,
7 more or less, to a point for the common north corner of said Peter
8 Teal and Henry Wilcox Surveys, same being on the southwesterly line
9 of the aforementioned Wiley Martin League;

10 Thence, South 67° 54' 35" East, with the common line of said
11 Peter Teal and Wiley Martin Leagues, 3,158.33 feet, more or less, to
12 an angle point for corner;

13 Thence, North 52° 04' 42" East, continuing with said common
14 line, 1,929.30 feet, more or less, to a point for corner;

15 Thence, departing the northeasterly line of said Peter Teal
16 Survey and the southerly line of said Wiley Martin League, westerly
17 and northerly along the centerline of a farm road the following
18 eleven (11) courses and distances:

19 1. North 15° 05' 08" East, 224.85 feet, more or less, to a
20 point for corner;

21 2. North 45° 58' 21" West, 1,101.01 feet, more or less, to a
22 point for corner;

23 3. North 39° 47' 43" West, 109.50 feet, more or less, to a
24 point for corner;

25 4. North 16° 57' 20" West, 99.03 feet, more or less, to a
26 point for corner;

27 5. North 13° 29' 08" West, 438.57 feet, more or less, to a

1 point for corner;

2 6. North 13° 38' 07" West, 1,498.84 feet, more or less, to a
3 point for corner;

4 7. North 18° 59' 40" West, 80.30 feet, more or less, to a
5 point for corner;

6 8. North 42° 20' 03" West, 62.14 feet, more or less, to a
7 point for corner;

8 9. North 60° 52' 39" West, 236.49 feet, more or less, to a
9 point for corner;

10 10. North 00° 52' 17" West, 160.45 feet, more or less, to a
11 point for corner on a bridge at the centerline of Dry Creek for
12 angle point;

13 11. North 00° 38' 30" West, 174.07 feet, more or less, to the
14 northwest corner of this tract;

15 Thence, North 66° 38' 04" East, departing said road, 278.20
16 feet, more or less, to a point for corner;

17 Thence, South 86° 26' 20" East, 71.37 feet, more or less, to a
18 point for corner;

19 Thence, North 48° 36' 58" East, 126.06 feet, more or less, to a
20 point for corner;

21 Thence, North 88° 02' 53" East, 131.33 feet, more or less, to a
22 point for corner;

23 Thence, North 68° 30' 10" East, 1,817.67 feet, more or less,
24 to a point for re-entrant corner of this tract;

25 Thence, North 38° 15' 23" West, 140.20 feet, more or less, to a
26 point for corner;

27 Thence, North 69° 38' 00" East, 224.50 feet, more or less, to

1 the north corner of this tract, same being on the westerly
2 right-of-way line of the aforementioned State Farm to Market Road
3 No. 762;

4 Thence, South 38° 09' 57" East, with said westerly
5 right-of-way line, 1,241.87 feet, more or less, to the north corner
6 of a State of Texas 2.2750 acre Tract;

7 Thence, with the northerly, westerly, and southerly lines of
8 said 2.2750 acre tract the following five (5) courses and
9 distances:

10 1. South 51° 50' 03" West, 20.00 feet, more or less, to a
11 point for corner;

12 2. South 38° 09' 57" East, 100.00 feet, more or less, to a
13 point for corner, the beginning of a curve;

14 3. 1,710.57 feet, more or less, along the arc of a tangent
15 curve to the right, having a radius of 3,345.00 feet, a central
16 angle of 29° 18' 00", and a chord which bears South 23° 30' 57" East,
17 1,691.99 feet to a point for corner;

18 4. South 08° 51' 57" East, 100.00 feet, more or less, to a
19 point for corner;

20 5. North 81° 08' 03" East, 20.00 feet, more or less, to a
21 point for corner in the westerly right-of-way line of said State
22 Farm Market Road No. 762;

23 Thence, South 08° 51' 57" East, along said westerly
24 right-of-way line, 289.74 feet, more or less, to the POINT OF
25 BEGINNING and containing approximately 763.4 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) All requirements of the constitution and laws of this
14 state and the rules and procedures of the legislature with respect
15 to the notice, introduction, and passage of this Act have been
16 fulfilled and accomplished.

17 SECTION 4. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 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: HB4676 by Stephenson (Relating to the creation of the Fort Bend County Management District No. 3; 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 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 15, 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: HB4676 by Stephenson (Relating to the creation of the Fort Bend County Management District No. 3; 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 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 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: HB4676 by Stephenson (Relating to the creation of the Fort Bend County Management District No. 3; 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 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: HB4676 by Stephenson (Relating to the creation of the Fort Bend County Management District No. 3; 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 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: HB4676 by Stephenson (Relating to the creation of the Fort Bend County Management District No. 3; 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 Fort Bend County Management District No. 3 (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 Fort Bend County served by small water systems or private wells (County-Other) was 41,707. The Fort Bend County-Other population projections adopted for the 2022 State Water Plan projects the population to grow to 107,087 in 2020 and 146,910 in 2030.

Location - The proposed district's initial boundaries are described with a combination of Original Texas Land Surveys, Fort Bend County Official Public Records of Real Property, 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 1.2 square miles in central Fort Bend County. The proposed district appears to be west of Smithers Lake, near the George Ranch Historical Park along Farm to Market Road No. 762 located in extraterritorial jurisdiction of the Town of Thompsons.

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 District may develop or finance recreational facilities; this bill grants the District authority for road projects; the District may construct, acquire, improve, maintain, finance, and

operate rail facilities and improvements in aid of those facilities for the transport of freight and other cargo; 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 create economic development programs 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 located; the District may acquire, lease, construct, develop, own, operate, and maintain parking facilities; the bill specifies that the District may add or exclude land in the manner 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 District may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code; 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 Fort Bend County, 55% of the total water use was supplied by groundwater (Gulf Coast Aquifer), and municipal was the largest volume water use category comprising 68% of the county total water use in 2016. The water source the proposed district might pursue is unknown.

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

LBB Staff: WP, SZ