

House Bill 4653
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3973 to read as follows:
CHAPTER 3973. TARKINGTON MANAGEMENT DISTRICT NO. 1 OF LIBERTY COUNTY
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 3973.0101. DEFINITIONS. In this chapter:
(1) "Board" means the district's board of directors.
(2) "County" means Liberty County.
(3) "Director" means a board member.
(4) "District" means the Tarkington Management District No. 1 of Liberty County.
Sec. 3973.0102. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.
Sec. 3973.0103. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the county and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.
(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.
(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided as of the effective date of the Act enacting this chapter to the area in the district. The district is created

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to supplement and not to supplant county services provided in the district.

Sec. 3973.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

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

(2) eliminating unemployment and underemployment; and

(3) developing or expanding transportation and commerce.

(d) The district will:

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

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

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

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

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

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

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

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

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

(1) organization, existence, or validity;

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

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

(4) legality or operation.

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

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

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

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

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

Sec. 3973.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise

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provided by this chapter, Chapter 375, Local Government Code, applies to the district.

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

Sec. 3973.0109. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

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

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

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

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

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

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

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

(1) Gready Hunter;

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- (2) Kevin Loeffler;
- (3) Rusty Campbell;
- (4) Greg Eknoyan; and
- (5) Gordan Richardson.
- (b) The temporary or successor temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.
- (c) Temporary directors serve until the earlier of:
 - (1) the date permanent directors are elected under Subsection (b); or
 - (2) the fourth anniversary of the effective date of the Act creating this chapter.
- (d) If permanent directors have not been elected under Subsection (b) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (e) to serve terms that expire on the earlier of:
 - (1) the date permanent directors are elected under Subsection (b); or
 - (2) the fourth anniversary of the date of the appointment or reappointment.
- (e) If Subsection (d) applies, the owner or owners of a majority of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for the county may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

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SUBCHAPTER C. POWERS AND DUTIES

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Sec. 3973.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

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

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

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

Sec. 3973.0304. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3973.0303 to:

- (1) a municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or
- (2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

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(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3973.0303 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).
(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

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

Sec. 3973.0306. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.
(b) The nonprofit corporation:
(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and
(2) may implement any project and provide any service authorized by this chapter.
(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under

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Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

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

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

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

Sec. 3973.0309. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. 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.

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

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

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

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

- (1) Chapter 380, Local Government Code; and
- (2) Subchapter A, Chapter 1509, Government Code.

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

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

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

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

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

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

Sec. 3973.0314. RURAL PUBLIC TRANSPORTATION POWERS. (a) The district may provide and coordinate rural public transportation in its territory in the manner provided by Sections 458.010 and 458.011, Transportation Code, for a rural transit district.

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

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Sec. 3973.0310. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

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

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

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

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

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

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

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

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

(1) has no outstanding bonded debt; and

(2) is not imposing ad valorem taxes.

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

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

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

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

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

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

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

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

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(f) An order dividing the district must:

(1) name each new district;

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

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

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

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

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

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

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

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

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3973.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the

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

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

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

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

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

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3973.0401. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the

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number of directors' signatures and the procedure required for a disbursement or transfer of district money.

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

Sec. 3973.0403. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) 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.

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

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

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

- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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number of directors' signatures and the procedure required for a disbursement or transfer of district money.

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

Sec. 3973.0403. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) 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.

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

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

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

- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

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

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

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

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

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

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

SUBCHAPTER E. TAXES AND BONDS

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

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

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

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

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

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SUBCHAPTER E. TAXES AND BONDS

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

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

(2) contract payments described by Section 3973.0503.

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

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

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

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

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

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

Sec. 3973.0503. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been

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

(2) contract payments described by Section 3973.0503.

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

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

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

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

(1) maintain and operate the district;

(2) construct or acquire improvements; or

(3) provide a service.

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

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

Sec. 3973.0503. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been

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approved by a majority of the district voters voting at an election held for that purpose.

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

Sec. 3973.0504. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

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

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

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

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approved by a majority of the district voters voting at an election held for that purpose.

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

Sec. 3973.0504. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.

(a) The district may borrow money on terms determined by the board. Section 375.205, Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3973.0606. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use

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

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

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

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

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

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

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

Sec. 3973.0606. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use

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and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

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

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

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

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

SUBCHAPTER G. DEFINED AREAS

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

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

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and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

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

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

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

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

SUBCHAPTER G. DEFINED AREAS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THENCE North 87 deg. 28 min. 03 sec. East, along the common line of the Means Survey and the Hanson Survey, being the North line of said 1846.69 acre tract and the South line of the Alvin David Stetson tract recorded in Clerk's File 2015023380, a distance of 3442.50 feet to a concrete monument stamped "Kirby 3-166" found at the Southeast corner of the Hanson Survey and the Southwest corner of the John R. Faulk Survey, Abstract 34;

THENCE North 86 deg. 55 min. 34 sec. East, along the common lines of the Means Survey and the Faulk Survey, being the North line of said 1846.69 acre tract and the South line of the Jorge Lopez tract described in Clerk's File 2007014457, a distance of 1787.22 feet to a 3/4 inch iron rod

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found for the Northeast corner of the herein described tract at the Northeast corner of said 1846.69 acre tract, said point being in the West right of way line of State Highway 321 (100.0 feet wide at this point);

THENCE South 22 deg. 01 min. 29 sec. East, along the West right-of-way line of State Highway 321 and the East line of said 1846.69 acre tract, a distance of 2084.38 feet to a concrete monument found at the P.C. of a curve to the left;

THENCE along the West right-of-way line of State Highway 321 (right-of-way varies) and the East line of said 1846.69 acre tract, following said curve to the left having a Radius of 5779.59 feet, Central Angle of a 01 deg. 35 min. 23 sec., Chord Bearing and Distance of South 22 deg. 51 min. 20 sec. East - 160.35 feet, for an arc distance of 160.36 feet to a concrete monument found at the P.T. of said curve;

THENCE South 18 deg. 29 min. East, along the West right-of-way line of State Highway 321 and the East line of said 1846.69 acre tract, a distance of 101.28 feet to a concrete monument found at the P.C. of a curve left;

THENCE along the West right-of-way line of State Highway 21 (right-of-way varies) and the East line of said 1846.69 acre tract, following said curve to the left having a Radius of 5789.59 feet, Central Angle of 10 deg. 49 min. 44 sec., Chord Bearing and a Distance of South 30 deg. 03 min. 47 sec. East - 1092.60 feet, for an arc distance of 1094.23 feet to a concrete monument found at the P.T. of said curve;

THENCE South 35 deg. 28 min. 53 sec. East, along the West right-of-way line of State Highway 321 (right-of-way 110.0 feet wide at this point) and the East line of said 1846.69 acre tract, a distance of 2708.35 feet to a 1/2 inch iron rod found for the Southeast corner of the herein described tract at the upper Southeast corner of said 1846.69 acre tract, the

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Northeast corner of a 6.87 acre Save and Except Tract described in the a deed to Southland Timberlands V, L.P. recorded in Clerk's File 2003009246;

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

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

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

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

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

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

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the

SENATE VERSION (CS)

SECTION 3. Same as House version.

CONFERENCE

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governor, lieutenant governor, and speaker of the house of representatives within the required time.

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

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

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

SENATE VERSION (CS)

SECTION 4. Same as House version.

CONFERENCE