

SENATE AMENDMENTS
2nd Printing

By: Cole

H.B. No. 5677

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Pura Vida Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.

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

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 4013 to read as follows:

CHAPTER 4013. PURA VIDA MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 4013.0101. DEFINITIONS. In this chapter:

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

(2) "City" means the City of Mustang Ridge.

(3) "Director" means a board member.

(4) "District" means the Pura Vida Municipal Management District No. 1.

Sec. 4013.0102. NATURE OF DISTRICT. The Pura Vida Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Sec. 4013.0103. 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.

1 (b) By creating the district and in authorizing the city and
2 other political subdivisions to contract with the district, the
3 legislature has established a program to accomplish the public
4 purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

16 Sec. 4013.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

22 (b) The district is created to serve a public use and
23 benefit.

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

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

1 (2) eliminating unemployment and underemployment; and
2 (3) developing or expanding transportation and
3 commerce.

4 (d) The district will:

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

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

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

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

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

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

26 Sec. 4013.0105. INITIAL DISTRICT TERRITORY. (a) The
27 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. 4013.0106. 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; or

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

Sec. 4013.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 4013.0108. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 4013.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors who serve staggered

1 terms of four years.

2 (b) Directors are elected in the manner provided by
3 Subchapter D, Chapter 49, Water Code.

4 Sec. 4013.0202. COMPENSATION; EXPENSES. (a) The district
5 may compensate each director in an amount not to exceed \$150 for
6 each board meeting. The total amount of compensation for each
7 director in one year may not exceed \$7,200.

8 (b) A director is entitled to reimbursement for necessary
9 and reasonable expenses incurred in carrying out the duties and
10 responsibilities of the board.

11 (c) Sections 375.069 and 375.070, Local Government Code, do
12 not apply to the board.

13 Sec. 4013.0203. TEMPORARY DIRECTORS. (a) On or after the
14 effective date of the Act enacting this chapter, the owner or owners
15 of a majority of the assessed value of the real property in the
16 district according to the most recent certified county tax
17 appraisal roll may submit a petition to the Texas Commission on
18 Environmental Quality requesting that the commission appoint as
19 temporary directors the five persons named in the petition. The
20 commission shall appoint as temporary directors the five persons
21 named in the petition.

22 (b) The temporary or successor temporary directors shall
23 hold an election to elect five permanent directors as provided by
24 Section 4013.0201.

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

26 (1) the date permanent directors are elected under
27 Subsection (b); or

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

3 (d) If permanent directors have not been elected under
4 Subsection (b) and the terms of the temporary directors have
5 expired, successor temporary directors shall be appointed or
6 reappointed as provided by Subsection (e) to serve terms that
7 expire on the earlier of:

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

10 (2) the fourth anniversary of the date of the
11 appointment or reappointment.

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

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 4013.0301. GENERAL POWERS AND DUTIES. The district
22 has the powers and duties necessary to accomplish the purposes for
23 which the district is created.

24 Sec. 4013.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The
25 district, using any money available to the district for the
26 purpose, may provide, design, construct, acquire, improve,
27 relocate, operate, maintain, or finance an improvement project or

service authorized under this chapter or Chapter 375, Local Government Code.

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

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

Sec. 4013.0303. 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 Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Sec. 4013.0304. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the city, to provide additional law enforcement services in the district for a fee.

1 Sec. 4013.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

2 The district may join and pay dues to a charitable or nonprofit
3 organization that performs a service or provides an activity
4 consistent with the furtherance of a district purpose.

5 Sec. 4013.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The

6 district may engage in activities that accomplish the economic
7 development purposes of the district.

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

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

13 (2) provide district personnel and services.

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

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

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

19 Sec. 4013.0307. PARKING FACILITIES. (a) The district may

20 acquire, lease as lessor or lessee, construct, develop, own,
21 operate, and maintain parking facilities or a system of parking
22 facilities, including lots, garages, parking terminals, or other
23 structures or accommodations for parking motor vehicles off the
24 streets and related appurtenances.

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

1 years.

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

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

7 Sec. 4013.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The
8 board by resolution shall establish the number of directors'
9 signatures and the procedure required for a disbursement or
10 transfer of district money.

11 Sec. 4013.0309. ADDING OR EXCLUDING LAND. Except as
12 provided by Section 4013.0310, the district may add or exclude land
13 in the manner provided by Subchapter J, Chapter 49, Water Code, or
14 by Subchapter H, Chapter 54, Water Code.

15 Sec. 4013.0310. DIVISION OF DISTRICT. (a) The district may
16 be divided into two or more new districts only if the district:

17 (1) has no outstanding bonded debt; and

18 (2) is not imposing ad valorem taxes.

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

22 (c) Any new district created by the division of the district
23 may not, at the time the new district is created, contain any land
24 outside the area described by Section 2 of the Act enacting this
25 chapter.

26 (d) The board, on its own motion or on receipt of a petition
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the
2 district.

3 (e) An order dividing the district must:

4 (1) name each new district;

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

7 (3) appoint initial directors for each new district;

8 and

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

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

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

20 (h) Municipal consent to the creation of the district and to
21 the inclusion of land in the district granted under Section
22 4013.0506 acts as municipal consent to the creation of any new
23 district created by the division of the district and to the
24 inclusion of land in the new district.

25 Sec. 4013.0311. EMINENT DOMAIN. The district may exercise
26 the power of eminent domain in the manner provided by Section
27 49.222, Water Code.

SUBCHAPTER D. ASSESSMENTS

Sec. 4013.0401. 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 county tax appraisal roll.

Sec. 4013.0402. 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

(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.

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

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

9 SUBCHAPTER E. TAXES AND BONDS

10 Sec. 4013.0501. TAX ELECTION REQUIRED. (a) The district
11 must hold an election in the manner provided by Chapter 49, Water
12 Code, or, if applicable, Chapter 375, Local Government Code, to
13 obtain voter approval before the district may impose an ad valorem
14 tax.

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

17 Sec. 4013.0502. OPERATION AND MAINTENANCE TAX. (a) If
18 authorized by a majority of the district voters voting at an
19 election under Section 4013.0501, the district may impose an
20 operation and maintenance tax on taxable property in the district
21 in the manner provided by Section 49.107, Water Code, for any
22 district purpose, including to:

23 (1) maintain and operate the district;

24 (2) construct or acquire improvements; or

25 (3) provide a service.

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

1 election.

2 Sec. 4013.0503. 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 issue, by public or private sale,
6 bonds, notes, or other obligations payable wholly or partly from ad
7 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 (d) The district may issue, by public or private sale,
14 bonds, notes, or other obligations payable wholly or partly from
15 assessments in the manner provided by Subchapter A, Chapter 372,
16 Local Government Code, if the improvement financed by the
17 obligation issued under this section will be conveyed to or
18 operated and maintained by a municipality or other retail utility
19 provider pursuant to an agreement with the district entered into
20 before the issuance of the obligation.

21 Sec. 4013.0504. BONDS SECURED BY REVENUE OR CONTRACT
22 PAYMENTS. The district may issue, without an election, bonds
23 secured by:

24 (1) revenue other than ad valorem taxes, including
25 contract revenues; or

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

1 Sec. 4013.0505. BONDS SECURED BY AD VALOREM TAXES;
2 ELECTIONS. (a) If authorized at an election under Section
3 4013.0501, the district may issue bonds payable from ad valorem
4 taxes.

5 (b) At the time the district issues bonds payable wholly or
6 partly from ad valorem taxes, the board shall provide for the annual
7 imposition of a continuing direct annual ad valorem tax, without
8 limit as to rate or amount, for each year that all or part of the
9 bonds are outstanding as required and in the manner provided by
10 Sections 54.601 and 54.602, Water Code.

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

15 Sec. 4013.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
16 board may not issue bonds until each municipality in whose
17 corporate limits or extraterritorial jurisdiction the district is
18 located has consented by ordinance or resolution to the creation of
19 the district and to the inclusion of land in the district as
20 required by applicable law.

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

23 SUBCHAPTER F. SALES AND USE TAX

24 Sec. 4013.0601. MEANINGS OF WORDS AND PHRASES. A word or
25 phrase used in this subchapter that is defined by Chapter 151 or
26 321, Tax Code, has the meaning assigned by Chapter 151 or 321, Tax
27 Code.

1 Sec. 4013.0602. APPLICABILITY OF CERTAIN TAX CODE
2 PROVISIONS. (a) The provisions of Subchapters C, D, E, and F,
3 Chapter 323, Tax Code, relating to county sales and use taxes apply
4 to the application, collection, and administration of a sales and
5 use tax imposed under this subchapter to the extent consistent with
6 this chapter, as if references in Chapter 323, Tax Code, to a county
7 referred to the district and references to a commissioners court
8 referred to the board.

9 (b) Sections 323.401-323.404 and 323.505, Tax Code, do not
10 apply to a tax imposed under this subchapter.

11 Sec. 4013.0603. AUTHORIZATION; ELECTION. (a) The district
12 shall adopt, reduce, or repeal the sales and use tax authorized by
13 this subchapter at an election in which a majority of the voters of
14 the district voting in the election approve the adoption,
15 reduction, or repeal of the tax, as applicable.

16 (b) The board by order shall call an election to adopt,
17 reduce, or repeal a sales and use tax. The election shall be held on
18 the first authorized uniform election date that occurs after the
19 time required by Section 3.005, Election Code.

20 (c) The district shall provide notice of the election and
21 shall hold the election in the manner prescribed by Chapter 54,
22 Water Code, for bond elections for municipal utility districts.

23 (d) The ballots shall be printed to provide for voting for
24 or against the following appropriate proposition:

25 (1) "Adoption of a ____ percent district sales and use
26 tax in the district";

27 (2) "Reduction of the district sales and use tax in the

1 district from ___ percent to ___ percent"; or

2 (3) "Repeal of the district sales and use tax in the
3 district."

4 Sec. 4013.0604. EFFECTIVE DATE OF TAX. A tax imposed under
5 this subchapter or the repeal or reduction of a tax under this
6 subchapter takes effect on the first day of the first calendar
7 quarter that occurs after the date the comptroller receives the
8 copy of the resolution as required by Section 323.405(b), Tax Code.

9 Sec. 4013.0605. SALES AND USE TAX RATE. (a) On adoption
10 of the tax authorized by this subchapter, there is imposed a tax of
11 two percent, or the maximum rate at which the combined tax rate of
12 all local sales and use taxes in any location in the district does
13 not exceed two percent, on the receipts from the sale at retail of
14 taxable items in the district, and an excise tax on the use,
15 storage, or other consumption in the district of taxable items
16 purchased, leased, or rented from a retailer in the district during
17 the period that the tax is in effect.

18 (b) The rate of the excise tax is the same as the rate of the
19 sales tax portion of the tax and is applied to the sales price of the
20 taxable item.

21 Sec. 4013.0606. EXAMINATION AND RECEIPT OF
22 INFORMATION. The district may examine and receive information
23 related to the imposition of a sales and use tax to the same extent
24 as if the district were a municipality.

25 Sec. 4013.0607. ALTERNATIVE METHOD OF IMPOSITION.
26 Notwithstanding any other provision of this subchapter, the
27 district may impose the sales and use tax as provided by Subchapter

1 F, Chapter 383, Local Government Code, instead of as provided by the
2 other provisions of this subchapter.

3 SUBCHAPTER G. HOTEL OCCUPANCY TAX

4 Sec. 4013.0701. DEFINITION. In this subchapter, "hotel"
5 has the meaning assigned by Section 156.001, Tax Code.

6 Sec. 4013.0702. APPLICABILITY OF CERTAIN TAX CODE
7 PROVISIONS. (a) In this subchapter:

8 (1) a reference in Chapter 352, Tax Code, to a county
9 is a reference to the district; and

10 (2) a reference in Chapter 352, Tax Code, to the
11 commissioners court is a reference to the board.

12 (b) Except as inconsistent with this subchapter, Subchapter
13 A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized
14 by this subchapter, including the collection of the tax, subject to
15 the limitations prescribed by Sections 352.002(b) and (c), Tax
16 Code.

17 Sec. 4013.0703. TAX AUTHORIZED; TAX RATE. (a) The district
18 may impose a hotel occupancy tax for the purposes described by
19 Section 4013.0705.

20 (b) The amount of the tax may not exceed seven percent of the
21 price paid for a room in a hotel.

22 Sec. 4013.0704. INFORMATION. The district may examine and
23 receive information related to the imposition of hotel occupancy
24 taxes to the same extent as if the district were a municipality.

25 Sec. 4013.0705. USE OF HOTEL OCCUPANCY TAX. (a) The
26 district may use the proceeds from a hotel occupancy tax imposed
27 under this subchapter for the purposes described by Section

1 352.1015, Tax Code.

2 (b) During each interval of three calendar years following
3 the date on which a hotel occupancy tax imposed under this
4 subchapter is initially collected, the board may not apply an
5 annual average of more than 10 percent of the amount of tax
6 collected under that section, excluding any interest earnings or
7 investment profits and after a deduction for the costs of imposing
8 and collecting the taxes, for the administrative expenses of the
9 district or a district purpose other than:

10 (1) the costs of advertising and promoting tourism; or
11 (2) the costs of business development and commerce,
12 including the costs of planning, designing, constructing,
13 acquiring, leasing, financing, owning, operating, maintaining,
14 managing, improving, repairing, rehabilitating, or reconstructing
15 improvement projects for:

16 (A) conferences, conventions, meeting space, and
17 exhibitions;

18 (B) manufacturer, consumer, or trade shows;

19 (C) hotels, lodging, and hospitality;

20 (D) arts and entertainment;

21 (E) parks and recreation;

22 (F) economic development; and

23 (G) civic, community, or institutional events.

24 SUBCHAPTER H. HOTEL AND CONVENTION CENTER PROJECTS

25 Sec. 4013.0801. DEFINITIONS. (a) In this subchapter,
26 "qualified convention center facility," "qualified hotel," and
27 "qualified project" have the meanings assigned by Section 351.151,

1 Tax Code.

2 (b) Notwithstanding Section 351.157(a), Tax Code, for
3 purposes of a qualified project of the district, "qualified
4 establishment" means an establishment:

5 (1) that is:

6 (A) a restaurant, bar, or retail establishment;

7 (B) located on land owned by the district; and

8 (C) constructed on or after the date the district
9 commences a qualified project under this subchapter; and

10 (2) the nearest exterior wall of which is located not
11 more than 1,000 feet from the nearest exterior wall of a qualified
12 convention center facility or qualified hotel.

13 Sec. 4013.0802. HOTEL AND CONVENTION CENTER PROJECTS. (a)
14 The board by order may authorize proceeds from the hotel occupancy
15 tax imposed under Subchapter G of this chapter to be used for a
16 qualified project under Subchapter C, Chapter 351, Tax Code. The
17 use authorized by this subsection is in addition to any other use
18 authorized by law.

19 (b) If the board adopts an order described by Subsection
20 (a):

21 (1) a reference in Subchapter C, Chapter 351, Tax
22 Code, to a municipality is a reference to the district; and

23 (2) the district is considered to be a municipality
24 for purposes of Subchapter C, Chapter 351, Tax Code, with the same
25 rights, privileges, and responsibilities as a municipality under
26 that subchapter, including the ability to pledge or commit revenue
27 under Section 351.155, Tax Code, for bonds or other obligations

1 issued for a qualified project or contractual obligations for a
2 qualified project and to receive certain tax revenue under Sections
3 351.156 and 351.157, Tax Code.

4 (c) In the event of a conflict between this section and
5 another provision of this chapter, this section controls.

6 (d) The comptroller may adopt rules necessary to implement
7 and administer this section.

8 SUBCHAPTER I. DISSOLUTION

9 Sec. 4013.0901. DISSOLUTION. (a) The board shall dissolve
10 the district on written petition filed with the board by the owners
11 of:

12 (1) at least two-thirds of the assessed value of the
13 property subject to assessment by the district based on the most
14 recent certified county property tax rolls; or

15 (2) at least two-thirds of the surface area of the
16 district, excluding roads, streets, highways, utility
17 rights-of-way, other public areas, and other property exempt from
18 assessment by the district according to the most recent certified
19 county property tax rolls.

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

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

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

27 (2) has a contractual obligation to pay money until

1 that obligation has been fully paid in accordance with the
2 contract; or

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

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

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

12 211.348 ACRES LAND OUT THE WILLIAM LEWIS, SR. SURVEY,
13 ABSTRACT NO. 479 AND THE AUGUSTAS KINCHELOE SURVEY NUMBER 2,
14 ABSTRACT NO. 457, TRAVIS COUNTY, TEXAS, BEING ALL OR A PORTION OF
15 THE FOLLOWING EIGHT (8) TRACTS:

16 TRACT 1: A 70.887 ACRE PORTION OF THAT CERTAIN 141.321 ACRE
17 TRACT CALLED FIRST TRACT CONVEYED TO MUSTANG RIDGE, LLC BY DEED
18 RECORDED IN DOCUMENT NUMBER 2019142513, OFFICIAL PUBLIC RECORDS
19 TRAVIS COUNTY, TEXAS;

20 TRACT 2: ALL OF THAT CERTAIN 23.625 ACRE TRACT DESCRIBED IN A
21 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2020003359,
22 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

23 TRACT 3: ALL OF THAT CERTAIN 0.892 ACRE TRACT CALLED SECOND
24 TRACT DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT
25 NUMBER 2019142513, OFFICIAL PUBLIC RECORDS TRAVIS COUNTY, TEXAS;

26 TRACT 4: ALL OF THAT CERTAIN 19.283 ACRE TRACT DESCRIBED IN A
27 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2023073358,

OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

TRACT 5: ALL OF THAT CERTAIN 2.986 ACRE TRACT DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2022052056, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

TRACT 6: ALL OF THAT CERTAIN 16.383 ACRE TRACT DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2021040262, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

TRACT 7: ALL OF THAT CERTAIN 74.555 ACRE TRACT, CALLED 74.557 ACRES, DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2022039968 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

TRACT 8: ALL OF THAT CERTAIN 2.737 ACRE TRACT DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2020099394, OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

THE SAID 211.348 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2 INCH DIAMETER STEEL PIN FOUND WITH CAP MARKED LENZ & ASSOC ON THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 183 AT THE NORTHERLY MOST CORNER OF THE SAID TRACT 3;

THENCE, S 04°08'59" E, A DISTANCE OF 1924.31 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 183, THE SAME BEING THE EAST LINE OF THE SAID TRACT 3, TRACT 2 AND TRACT 6, TO A 1/2 INCH DIAMETER STEEL PIN FOUND WITH CAP MARKED LENZ & ASSOC AT THE SOUTHEAST CORNER OF THE SAID TRACT 6;

THENCE, S 85°47'49" W, A DISTANCE OF 825.12 FEET TO A 1/2 INCH DIAMETER STEEL PIN FOUND WITH CAP MARKED HINKLE AT THE SOUTHWEST CORNER OF THE SAID TRACT 6, THE SAME BEING THE SOUTHEAST CORNER OF

1 THE SAID TRACT 5;

2 THENCE S 71°51'32" W, A DISTANCE OF 668.21 FEET TO A COMPUTED
3 POINT AT THE SOUTHWEST CORNER OF THE SAID TRACT 5 ON THE NORTHEAST
4 LINE OF THE SAID TRACT 7;

5 THENCE, S 47°08'40" E, A DISTANCE OF 630.54 FEET TO A 1/2 INCH
6 DIAMETER STEEL PIN FOUND ON THE NORTH RIGHT-OF-WAY LINE OF F.M.
7 HIGHWAY 1327 AT THE SOUTHEAST CORNER OF THE SAID TRACT 7;

8 THENCE, S 73°47'17" W, A DISTANCE OF 1483.54 FEET ALONG THE
9 NORTH RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1327 TO A COMPUTED POINT AT
10 AN EXTERIOR CORNER OF THE SAID TRACT 7;

11 THENCE, N 47°25'48" W, A DISTANCE OF 478.19 FEET TO A 1/2 INCH
12 DIAMETER STEEL PIN FOUND AT AN INTERIOR CORNER OF THE SAID TRACT 7;

13 THENCE, S 42°24'52" W, A DISTANCE OF 313.00 FEET TO A 1/2 INCH
14 DIAMETER STEEL PIN FOUND AT AN EXTERIOR CORNER OF THE SAID TRACT 7;

15 THENCE, N 62°17'17" W, A DISTANCE OF 1295.87 FEET TO A 1/2 INCH
16 DIAMETER STEEL PIN FOUND AT THE MOST WESTERLY OR SOUTHWEST CORNER OF
17 THE SAID TRACT 7;

18 THENCE, N 28°02'48" E, A DISTANCE OF 1393.50 FEET TO A 1/2 INCH
19 DIAMETER STEEL PIN FOUND WITH CAP MARKED LENZ & ASSOC AT THE
20 NORTHWEST CORNER OF THE SAID TRACT 7, THE SAME BEING THE SOUTHWEST
21 CORNER OF THE SAID TRACT 8;

22 THENCE, N 27°41'52" E A DISTANCE OF 1635.14 FEET ALONG THE
23 WEST LINE OF THE SAID TRACT 8 AND TRACT 1, CROSSING THE SAID 141.321
24 ACRE MUSTANG RIDGE, LLC TRACT, TO A 1/2 INCH DIAMETER STEEL PIN
25 FOUND AT THE SOUTHWEST CORNER OF THE SAID TRACT 4;

26 THENCE, N 27°30'40" E, A DISTANCE OF 378.90 FEET TO A 1/2 INCH
27 DIAMETER STEEL PIN FOUND WITH CAP MARKED CHAPARRAL AT THE NORTHWEST

1 CORNER OF THE SAID TRACT 4;

2 THENCE, S 61°49'55" E, A DISTANCE OF 2300.72 FEET TO A 1/2 INCH
3 DIAMETER STEEL PIN FOUND AT THE NORTHEAST CORNER OF THE SAID TRACT 4
4 ON WEST LINE OF THE SAID TRACT 3;

5 THENCE, N 42°24'59" E, A DISTANCE OF 552.95 FEET TO THE PLACE
6 OF BEGINNING, CONTAINING 211.348 ACRES OF LAND, MORE OR LESS.

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. (a) Section 4013.0311, Special District Local
26 Laws Code, as added by Section 1 of this Act, takes effect only if
27 this Act receives a two-thirds vote of all the members elected to

1 each house.

2 (b) If this Act does not receive a two-thirds vote of all the
3 members elected to each house, Subchapter C, Chapter 4013, Special
4 District Local Laws Code, as added by Section 1 of this Act, is
5 amended by adding Section 4013.0311 to read as follows:

6 Sec. 4013.0311. NO EMINENT DOMAIN POWER. The district may
7 not exercise the power of eminent domain.

8 SECTION 5. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2025.

ADOPTED

MAY 28 2025

Latey Law
Secretary of the Senate

By: *Zaffirini*

H.B. No. 5677

Substitute the following for H.B. No. 5677:

By: *Molly Cook*

C.S. H.B. No. 5677

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the Pura Vida Municipal Management
3 District No. 1; providing authority to issue bonds; providing
4 authority to impose assessments, fees, and taxes; granting a
5 limited power of eminent domain.

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

7 SECTION 1. Subtitle C, Title 4, Special District Local Laws
8 Code, is amended by adding Chapter 4013 to read as follows:

9 CHAPTER 4013. PURA VIDA MUNICIPAL MANAGEMENT DISTRICT NO. 1

10 SUBCHAPTER A. GENERAL PROVISIONS

11 Sec. 4013.0101. DEFINITIONS. In this chapter:

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

13 (2) "City" means the City of Mustang Ridge.

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

15 (4) "District" means the Pura Vida Municipal
16 Management District No. 1.

17 Sec. 4013.0102. NATURE OF DISTRICT. The Pura Vida
18 Municipal Management District No. 1 is a special district created
19 under Section 59, Article XVI, Texas Constitution.

20 Sec. 4013.0103. PURPOSE; DECLARATION OF INTENT. (a) The
21 creation of the district is essential to accomplish the purposes of
22 Sections 52 and 52-a, Article III, and Section 59, Article XVI,
23 Texas Constitution, and other public purposes stated in this
24 chapter.

1 (b) By creating the district and in authorizing the city and
2 other political subdivisions to contract with the district, the
3 legislature has established a program to accomplish the public
4 purposes set out in Section 52-a, Article III, Texas Constitution.

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

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

16 Sec. 4013.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE.

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

22 (b) The district is created to serve a public use and
23 benefit.

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

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

1 (2) eliminating unemployment and underemployment; and
2 (3) developing or expanding transportation and
3 commerce.

4 (d) The district will:

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

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

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

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

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

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

26 Sec. 4013.0105. INITIAL DISTRICT TERRITORY. (a) The
27 district is initially composed of the territory described by

1 Section 2 of the Act enacting this chapter.

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

6 (1) organization, existence, or validity;

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

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

11 (4) legality or operation.

12 Sec. 4013.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.
13 All or any part of the area of the district is eligible to be
14 included in:

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

17 (2) a tax abatement reinvestment zone created under
18 Chapter 312, Tax Code.

19 Sec. 4013.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT
20 DISTRICTS LAW. Except as otherwise provided by this chapter,
21 Chapter 375, Local Government Code, applies to the district.

22 Sec. 4013.0108. CONSTRUCTION OF CHAPTER. This chapter
23 shall be liberally construed in conformity with the findings and
24 purposes stated in this chapter.

25 SUBCHAPTER B. BOARD OF DIRECTORS

26 Sec. 4013.0201. GOVERNING BODY; TERMS. (a) The district is
27 governed by a board of five elected directors who serve staggered

1 terms of four years.

2 (b) Directors are elected in the manner provided by
3 Subchapter D, Chapter 49, Water Code.

4 Sec. 4013.0202. COMPENSATION; EXPENSES. (a) The district
5 may compensate each director in an amount not to exceed \$150 for
6 each board meeting. The total amount of compensation for each
7 director in one year may not exceed \$7,200.

8 (b) A director is entitled to reimbursement for necessary
9 and reasonable expenses incurred in carrying out the duties and
10 responsibilities of the board.

11 (c) Sections 375.069 and 375.070, Local Government Code, do
12 not apply to the board.

13 Sec. 4013.0203. TEMPORARY DIRECTORS. (a) On or after the
14 effective date of the Act enacting this chapter, the owner or owners
15 of a majority of the assessed value of the real property in the
16 district according to the most recent certified county tax
17 appraisal roll may submit a petition to the Texas Commission on
18 Environmental Quality requesting that the commission appoint as
19 temporary directors the five persons named in the petition. The
20 commission shall appoint as temporary directors the five persons
21 named in the petition.

22 (b) The temporary or successor temporary directors shall
23 hold an election to elect five permanent directors as provided by
24 Section 4013.0201.

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

26 (1) the date permanent directors are elected under
27 Subsection (b); or

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

3 (d) If permanent directors have not been elected under
4 Subsection (b) and the terms of the temporary directors have
5 expired, successor temporary directors shall be appointed or
6 reappointed as provided by Subsection (e) to serve terms that
7 expire on the earlier of:

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

10 (2) the fourth anniversary of the date of the
11 appointment or reappointment.

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

20 SUBCHAPTER C. POWERS AND DUTIES

21 Sec. 4013.0301. GENERAL POWERS AND DUTIES. The district
22 has the powers and duties necessary to accomplish the purposes for
23 which the district is created.

24 Sec. 4013.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The
25 district, using any money available to the district for the
26 purpose, may provide, design, construct, acquire, improve,
27 relocate, operate, maintain, or finance an improvement project or

1 service authorized under this chapter or Chapter 375, Local
2 Government Code.

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

5 (c) The implementation of a district project or service is a
6 governmental function or service for the purposes of Chapter 791,
7 Government Code.

8 Sec. 4013.0303. NONPROFIT CORPORATION. (a) The board by
9 resolution may authorize the creation of a nonprofit corporation to
10 assist and act for the district in implementing a project or
11 providing a service authorized by this chapter.

12 (b) The nonprofit corporation:

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

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

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

24 Sec. 4013.0304. LAW ENFORCEMENT SERVICES. To protect the
25 public interest, the district may contract with a qualified party,
26 including the city, to provide additional law enforcement services
27 in the district for a fee.

1 Sec. 4013.0305. MEMBERSHIP IN CHARITABLE ORGANIZATIONS.

2 The district may join and pay dues to a charitable or nonprofit
3 organization that performs a service or provides an activity
4 consistent with the furtherance of a district purpose.

5 Sec. 4013.0306. ECONOMIC DEVELOPMENT PROGRAMS. (a) The
6 district may engage in activities that accomplish the economic
7 development purposes of the district.

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

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

13 (2) provide district personnel and services.

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

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

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

19 Sec. 4013.0307. PARKING FACILITIES. (a) The district may
20 acquire, lease as lessor or lessee, construct, develop, own,
21 operate, and maintain parking facilities or a system of parking
22 facilities, including lots, garages, parking terminals, or other
23 structures or accommodations for parking motor vehicles off the
24 streets and related appurtenances.

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

1 years.

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

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

7 Sec. 4013.0308. DISBURSEMENTS AND TRANSFERS OF MONEY. The
8 board by resolution shall establish the number of directors'
9 signatures and the procedure required for a disbursement or
10 transfer of district money.

11 Sec. 4013.0309. ADDING OR EXCLUDING LAND. Except as
12 provided by Section 4013.0310, the district may add or exclude land
13 in the manner provided by Subchapter J, Chapter 49, Water Code, or
14 by Subchapter H, Chapter 54, Water Code.

15 Sec. 4013.0310. DIVISION OF DISTRICT. (a) The district may
16 be divided into two or more new districts only if the district:

17 (1) has no outstanding bonded debt; and

18 (2) is not imposing ad valorem taxes.

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

22 (c) Any new district created by the division of the district
23 may not, at the time the new district is created, contain any land
24 outside the area described by Section 2 of the Act enacting this
25 chapter.

26 (d) The board, on its own motion or on receipt of a petition
27 signed by the owner or owners of a majority of the assessed value of

1 the real property in the district, may adopt an order dividing the
2 district.

3 (e) An order dividing the district must:

4 (1) name each new district;

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

7 (3) appoint initial directors for each new district;

8 and

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

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

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

20 (h) Municipal consent to the creation of the district and to
21 the inclusion of land in the district granted under Section
22 4013.0506 acts as municipal consent to the creation of any new
23 district created by the division of the district and to the
24 inclusion of land in the new district.

25 Sec. 4013.0311. EMINENT DOMAIN. Subject to the limitations
26 provided by Section 54.209, Water Code, the district may exercise
27 the power of eminent domain in the manner provided by Section

1 49.222, Water Code.

2 SUBCHAPTER D. ASSESSMENTS

3 Sec. 4013.0401. PETITION REQUIRED FOR FINANCING SERVICES
4 AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a
5 service or improvement project with assessments under this chapter
6 unless a written petition requesting that service or improvement
7 has been filed with the board.

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

12 Sec. 4013.0402. 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. 4013.0501. TAX ELECTION REQUIRED. (a) The district
12 must hold an election in the manner provided by Chapter 49, Water
13 Code, or, if applicable, Chapter 375, Local Government Code, to
14 obtain voter approval before the district may impose an ad valorem
15 tax.

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

18 Sec. 4013.0502. OPERATION AND MAINTENANCE TAX. (a) If
19 authorized by a majority of the district voters voting at an
20 election under Section 4013.0501, the district may impose an
21 operation and maintenance tax on taxable property in the district
22 in the manner provided by Section 49.107, Water Code, for any
23 district purpose, including to:

24 (1) maintain and operate the district;

25 (2) construct or acquire improvements; or

26 (3) provide a service.

27 (b) The board shall determine the operation and maintenance

1 tax rate. The rate may not exceed the rate approved at the
2 election.

3 Sec. 4013.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE
4 BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on
5 terms determined by the board.

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

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

14 Sec. 4013.0504. BONDS SECURED BY REVENUE OR CONTRACT
15 PAYMENTS. The district may issue, without an election, bonds
16 secured by:

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

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

21 Sec. 4013.0505. BONDS SECURED BY AD VALOREM TAXES;
22 ELECTIONS. (a) If authorized at an election under Section
23 4013.0501, the district may issue bonds payable from ad valorem
24 taxes.

25 (b) At the time the district issues bonds payable wholly or
26 partly from ad valorem taxes, the board shall provide for the annual
27 imposition of a continuing direct annual ad valorem tax, without

1 limit as to rate or amount, for each year that all or part of the
2 bonds are outstanding as required and in the manner provided by
3 Sections 54.601 and 54.602, Water Code.

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

8 Sec. 4013.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The
9 board may not issue bonds until each municipality in whose
10 corporate limits or extraterritorial jurisdiction the district is
11 located has consented by ordinance or resolution to the creation of
12 the district and to the inclusion of land in the district as
13 required by applicable law.

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

16 SUBCHAPTER F. SALES AND USE TAX

17 Sec. 4013.0601. MEANINGS OF WORDS AND PHRASES. A word or
18 phrase used in this subchapter that is defined by Chapter 151 or
19 321, Tax Code, has the meaning assigned by Chapter 151 or 321, Tax
20 Code.

21 Sec. 4013.0602. APPLICABILITY OF CERTAIN TAX CODE
22 PROVISIONS. (a) The provisions of Subchapters C, D, E, and F,
23 Chapter 323, Tax Code, relating to county sales and use taxes apply
24 to the application, collection, and administration of a sales and
25 use tax imposed under this subchapter to the extent consistent with
26 this chapter, as if references in Chapter 323, Tax Code, to a county
27 referred to the district and references to a commissioners court

1 referred to the board.

2 (b) Sections 323.401-323.404 and 323.505, Tax Code, do not
3 apply to a tax imposed under this subchapter.

4 Sec. 4013.0603. AUTHORIZATION; ELECTION. (a) The district
5 shall adopt, reduce, or repeal the sales and use tax authorized by
6 this subchapter at an election in which a majority of the voters of
7 the district voting in the election approve the adoption,
8 reduction, or repeal of the tax, as applicable.

9 (b) The board by order shall call an election to adopt,
10 reduce, or repeal a sales and use tax. The election shall be held on
11 the first authorized uniform election date that occurs after the
12 time required by Section 3.005, Election Code.

13 (c) The district shall provide notice of the election and
14 shall hold the election in the manner prescribed by Chapter 54,
15 Water Code, for bond elections for municipal utility districts.

16 (d) The ballots shall be printed to provide for voting for
17 or against the following appropriate proposition:

18 (1) "Adoption of a ___ percent district sales and use
19 tax in the district";

20 (2) "Reduction of the district sales and use tax in the
21 district from ___ percent to ___ percent"; or

22 (3) "Repeal of the district sales and use tax in the
23 district."

24 Sec. 4013.0604. EFFECTIVE DATE OF TAX. A tax imposed under
25 this subchapter or the repeal or reduction of a tax under this
26 subchapter takes effect on the first day of the first calendar
27 quarter that occurs after the date the comptroller receives the

1 copy of the resolution as required by Section 323.405(b), Tax Code.

2 Sec. 4013.0605. SALES AND USE TAX RATE. (a) On adoption
3 of the tax authorized by this subchapter, there is imposed a tax of
4 two percent, or the maximum rate at which the combined tax rate of
5 all local sales and use taxes in any location in the district does
6 not exceed two percent, on the receipts from the sale at retail of
7 taxable items in the district, and an excise tax on the use,
8 storage, or other consumption in the district of taxable items
9 purchased, leased, or rented from a retailer in the district during
10 the period that the tax is in effect.

11 (b) The rate of the excise tax is the same as the rate of the
12 sales tax portion of the tax and is applied to the sales price of the
13 taxable item.

14 Sec. 4013.0606. EXAMINATION AND RECEIPT OF
15 INFORMATION. The district may examine and receive information
16 related to the imposition of a sales and use tax to the same extent
17 as if the district were a municipality.

18 Sec. 4013.0607. ALTERNATIVE METHOD OF IMPOSITION.
19 Notwithstanding any other provision of this subchapter, the
20 district may impose the sales and use tax as provided by Subchapter
21 F, Chapter 383, Local Government Code, instead of as provided by the
22 other provisions of this subchapter.

23 SUBCHAPTER I. DISSOLUTION

24 Sec. 4013.0901. DISSOLUTION. (a) The board shall dissolve
25 the district on written petition filed with the board by the owners
26 of:

27 (1) at least two-thirds of the assessed value of the

1 property subject to assessment by the district based on the most
2 recent certified county property tax rolls; or

3 (2) at least two-thirds of the surface area of the
4 district, excluding roads, streets, highways, utility
5 rights-of-way, other public areas, and other property exempt from
6 assessment by the district according to the most recent certified
7 county property tax rolls.

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

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

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

15 (2) has a contractual obligation to pay money until
16 that obligation has been fully paid in accordance with the
17 contract; or

18 (3) owns, operates, or maintains public works,
19 facilities, or improvements unless the district contracts with
20 another person for the ownership, operation, or maintenance of the
21 public works, facilities, or improvements.

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

24 SECTION 2. The Pura Vida Municipal Management District
25 No. 1 initially includes all territory contained in the following
26 area:

27 211.348 ACRES LAND OUT THE WILLIAM LEWIS, SR. SURVEY,

1 ABSTRACT NO. 479 AND THE AUGUSTAS KINCHELOE SURVEY NUMBER 2,
2 ABSTRACT NO. 457, TRAVIS COUNTY, TEXAS, BEING ALL OR A PORTION OF
3 THE FOLLOWING EIGHT (8) TRACTS:

4 TRACT 1: A 70.887 ACRE PORTION OF THAT CERTAIN 141.321 ACRE
5 TRACT CALLED FIRST TRACT CONVEYED TO MUSTANG RIDGE, LLC BY DEED
6 RECORDED IN DOCUMENT NUMBER 2019142513, OFFICIAL PUBLIC RECORDS
7 TRAVIS COUNTY, TEXAS;

8 TRACT 2: ALL OF THAT CERTAIN 23.625 ACRE TRACT DESCRIBED IN A
9 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2020003359,
10 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

11 TRACT 3: ALL OF THAT CERTAIN 0.892 ACRE TRACT CALLED SECOND
12 TRACT DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT
13 NUMBER 2019142513, OFFICIAL PUBLIC RECORDS TRAVIS COUNTY, TEXAS;

14 TRACT 4: ALL OF THAT CERTAIN 19.283 ACRE TRACT DESCRIBED IN A
15 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2023073358,
16 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

17 TRACT 5: ALL OF THAT CERTAIN 2.986 ACRE TRACT DESCRIBED IN A
18 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2022052056,
19 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

20 TRACT 6: ALL OF THAT CERTAIN 16.383 ACRE TRACT DESCRIBED IN A
21 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2021040262,
22 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;

23 TRACT 7: ALL OF THAT CERTAIN 74.555 ACRE TRACT, CALLED 74.557
24 ACRES, DESCRIBED IN A DEED TO MUSTANG RIDGE, LLC RECORDED IN
25 DOCUMENT NUMBER 2022039968 OFFICIAL PUBLIC RECORDS OF TRAVIS
26 COUNTY, TEXAS;

27 TRACT 8: ALL OF THAT CERTAIN 2.737 ACRE TRACT DESCRIBED IN A

1 DEED TO MUSTANG RIDGE, LLC RECORDED IN DOCUMENT NUMBER 2020099394,
2 OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS;
3 THE SAID 211.348 ACRES BEING MORE PARTICULARLY DESCRIBED BY
4 METES AND BOUNDS AS FOLLOWS:
5 BEGINNING AT A 1/2 INCH DIAMETER STEEL PIN FOUND WITH CAP
6 MARKED LENZ & ASSOC ON THE WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY
7 183 AT THE NORTHERLY MOST CORNER OF THE SAID TRACT 3;
8 THENCE, S 04°08'59" E, A DISTANCE OF 1924.31 FEET ALONG THE
9 WEST RIGHT-OF-WAY LINE OF U.S. HIGHWAY 183, THE SAME BEING THE EAST
10 LINE OF THE SAID TRACT 3, TRACT 2 AND TRACT 6, TO A 1/2 INCH DIAMETER
11 STEEL PIN FOUND WITH CAP MARKED LENZ & ASSOC AT THE SOUTHEAST CORNER
12 OF THE SAID TRACT 6;
13 THENCE, S 85°47'49" W, A DISTANCE OF 825.12 FEET TO A 1/2 INCH
14 DIAMETER STEEL PIN FOUND WITH CAP MARKED HINKLE AT THE SOUTHWEST
15 CORNER OF THE SAID TRACT 6, THE SAME BEING THE SOUTHEAST CORNER OF
16 THE SAID TRACT 5;
17 THENCE S 71°51'32" W, A DISTANCE OF 668.21 FEET TO A COMPUTED
18 POINT AT THE SOUTHWEST CORNER OF THE SAID TRACT 5 ON THE NORTHEAST
19 LINE OF THE SAID TRACT 7;
20 THENCE, S 47°08'40" E, A DISTANCE OF 630.54 FEET TO A 1/2 INCH
21 DIAMETER STEEL IN FOUND ON THE NORTH RIGHT-OF-WAY LINE OF F.M.
22 HIGHWAY 1327 AT THE SOUTHEAST CORNER OF THE SAID TRACT 7;
23 THENCE, S 73°47'17" W, A DISTANCE OF 1483.54 FEET ALONG THE
24 NORTH RIGHT-OF-WAY LINE OF F.M. HIGHWAY 1327 TO A COMPUTED POINT AT
25 AN EXTERIOR CORNER OF THE SAID TRACT 7;
26 THENCE, N 47°25'48" W, A DISTANCE OF 478.19 FEET TO A 1/2 INCH
27 DIAMETER STEEL PIN FOUND AT AN INTERIOR CORNER OF THE SAID TRACT 7;

1 THENCE, S 42°24'52" W, A DISTANCE OF 313.00 FEET TO A 1/2 INCH
2 DIAMETER STEEL PIN FOUND AT AN EXTERIOR CORNER OF THE SAID TRACT 7;

3 THENCE, N 62°17'17" W, A DISTANCE OF 1295.87 FEET TO A 1/2 INCH
4 DIAMETER STEEL PIN FOUND AT THE MOST WESTERLY OR SOUTHWEST CORNER OF
5 THE SAID TRACT 7;

6 THENCE, N 28°02'48" E, A DISTANCE OF 1393.50 FEET TO A 1/2 INCH
7 DIAMETER STEEL PIN FOUND WITH CAP MARKED LENZ & ASSOC AT THE
8 NORTHWEST CORNER OF THE SAID TRACT 7, THE SAME BEING THE SOUTHWEST
9 CORNER OF THE SAID TRACT 8;

10 THENCE, N 27°41'52" E A DISTANCE OF 1635.14 FEET ALONG THE
11 WEST LINE OF THE SAID TRACT 8 AND TRACT 1, CROSSING THE SAID 141.321
12 ACRE MUSTANG RIDGE, LLC TRACT, TO A 1/2 INCH DIAMETER STEEL PIN
13 FOUND AT THE SOUTHWEST CORNER OF THE SAID TRACT 4;

14 THENCE, N 27°30'40" E, A DISTANCE OF 378.90 FEET TO A 1/2 INCH
15 DIAMETER STEEL PIN FOUND WITH CAP MARKED CHAPARRAL AT THE NORTHWEST
16 CORNER OF THE SAID TRACT 4;

17 THENCE, S 61°49'55" E, A DISTANCE OF 2300.72 FEET TO A 1/2 INCH
18 DIAMETER STEEL PIN FOUND AT THE NORTHEAST CORNER OF THE SAID TRACT 4
19 ON WEST LINE OF THE SAID TRACT 3;

20 THENCE, N 42°24'59" E, A DISTANCE OF 552.95 FEET TO THE PLACE
21 OF BEGINNING, CONTAINING 211.348 ACRES OF LAND, MORE OR LESS.

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

1 Government Code.

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

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

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

13 SECTION 4. (a) Section 4013.0311, Special District Local
14 Laws Code, as added by Section 1 of this Act, takes effect only if
15 this Act receives a two-thirds vote of all the members elected to
16 each house.

17 (b) If this Act does not receive a two-thirds vote of all the
18 members elected to each house, Subchapter C, Chapter 4013, Special
19 District Local Laws Code, as added by Section 1 of this Act, is
20 amended by adding Section 4013.0311 to read as follows:

21 Sec. 4013.0311. NO EMINENT DOMAIN POWER. The district may
22 not exercise the power of eminent domain.

23 SECTION 5. This Act takes effect immediately if it receives
24 a vote of two-thirds of all the members elected to each house, as
25 provided by Section 39, Article III, Texas Constitution. If this
26 Act does not receive the vote necessary for immediate effect, this
27 Act takes effect September 1, 2025.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 29, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5677 by Cole (Relating to the creation of the Pura Vida Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's issuance of bonds or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

Source Agencies:

LBB Staff: JMc, SD, SZ, CWi, BC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 23, 2025

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5677 by Cole (relating to the creation of the Pura Vida Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's issuance of bonds or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

Source Agencies:

LBB Staff: JMc, SZ, CWi, BC

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 21, 2025

TO: Honorable Paul Bettencourt, Chair, Senate Committee on Local Government

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5677 by Cole (Relating to the creation of the Pura Vida Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's issuance of bonds or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

Source Agencies:

LBB Staff: JMc, SZ, BC, CWi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 6, 2025

TO: Honorable Cecil Bell, Chair, House Committee on Intergovernmental Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5677 by Cole (relating to the creation of the Pura Vida Municipal Management District No.A1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's issuance of bonds or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

Source Agencies:

LBB Staff: JMc, SZ, BC, CWi

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 25, 2025

TO: Honorable Cecil Bell, Chair, House Committee on Intergovernmental Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB5677 by Cole (Relating to the creation of the Pura Vida Municipal Management District No. 1; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes; granting a limited power of eminent domain.), **As Introduced**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

The fiscal implications of the bill to the district cannot be determined due to the circumstances relating to the district's exercise of eminent domain power, issuance of bonds, or imposition of assessments, fees, and taxes being unknown. No fiscal implication to other units of local government is anticipated.

Source Agencies:

LBB Staff: JMc, SZ, BC, CWi