

LOCAL GOVERNMENT CODE

TITLE 10. PARKS AND OTHER RECREATIONAL AND CULTURAL RESOURCES
SUBTITLE C. PARKS AND OTHER RECREATIONAL AND CULTURAL RESOURCES
PROVISIONS APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT
CHAPTER 335. SPORTS AND COMMUNITY VENUE DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 335.001. DEFINITIONS. In this chapter:

(1) "Approved venue project" has the meaning assigned by Section 334.001, except that the approval of the project must occur under this chapter.

(2) "Board" means the board of directors of a venue district.

(3) "District" means a venue district created under this chapter.

(4) "Related infrastructure" has the meaning assigned by Section 334.001.

(5) "Venue" has the meaning assigned by Section 334.001.

(6) "Venue project" has the meaning assigned by Section 334.001, except that the actions described by that section must occur under this chapter.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.002. APPLICATION TO VENUE CONSTRUCTED UNDER OTHER LAW. A district may use this chapter for a venue project relating to a venue and related infrastructure planned, acquired, established, developed, constructed, or renovated under other law, including Chapter 505 of this code or Subchapter E, Chapter 451, Transportation Code.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.21, eff. April 1, 2009.

Sec. 335.003. OTHER USES OF VENUE PERMITTED. This chapter

does not prohibit the use of a venue for an event that is not related to a purpose described by Section 334.001, such as a community-related event.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.004. SPECIFIC PERFORMANCE. (a) The legislature expressly finds and determines that:

(1) the presence of a professional sports team in an approved venue project built or renovated under this chapter provides a unique value to the district that built or renovated the project and to each political subdivision that created the district that cannot be adequately valued in money; and

(2) the district that built or renovated the approved venue project and each political subdivision that created the district would suffer irreparable injury if a professional sports team breaches its obligation to play its home games in the approved venue project as required by an agreement between the sports team and the district.

(b) An agreement described by Subsection (a)(2) shall be enforceable by specific performance in the courts of this state. A waiver of this remedy is contrary to public policy and is unenforceable and void.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.005. SUITS; SERVICE OF PROCESS. A district, through its board, may sue and be sued in any court of this state in the name of the district. Service of process on a district may be had by serving either the current chairman of the board or the current chief executive officer of the district or its registered agent designated by the district by filing a statement with the office of the secretary of state setting forth: (i) the name of the district, and (ii) the name and address of the district's registered agent, which address must be in the State of Texas. The statement shall be executed on behalf of the district by an officer of the district. A district may change the name and address of its registered agent by filing another statement with the office of the secretary of state. Upon such filing, the prior registered agent

for the district shall cease to be the registered agent for the district and service of process may not be had by serving the prior registered agent.

Added by Acts 2003, 78th Leg., ch. 981, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER B. VENUE DISTRICT

Sec. 335.021. CREATION. A county and a municipality, two or more counties, two or more municipalities, or a combination of municipalities, counties, or municipalities and counties may create a venue district under this chapter to plan, acquire, establish, develop, construct, or renovate one or more venue projects in the district subject to voter approval under Subchapter D.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.022. ORDER CREATING DISTRICT. A county and a municipality, two or more counties, two or more municipalities, or a combination of municipalities, counties, or municipalities and counties may create a district under this chapter by adopting concurrent orders. A concurrent order must:

- (1) contain identical provisions;
- (2) define the boundaries of the district to be coextensive with the combined boundaries of each creating political subdivision; and
- (3) designate the number of directors, the manner of appointment, and the manner in which the chair will be appointed in accordance with Section [335.031](#).

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.023. POLITICAL SUBDIVISION; RECORDS AND OPEN MEETINGS. (a) A district is a political subdivision of the creating political subdivisions and of this state.

(b) A district is subject to Chapter [551](#), Government Code.

(c) A district's books, records, and papers relating to an approved venue project and the revenue used to finance the project are public information and subject to disclosure under Chapter [552](#),

Government Code.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 2003, 78th Leg., ch. 164, Sec. 5, 6, eff. May 27, 2003.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 335.031. COMPOSITION AND APPOINTMENT OF BOARD. (a) A district is governed by a board of at least four directors.

(b) The board is appointed by the mayors or county judges, or both as appropriate, of the political subdivisions that create the district in accordance with the concurrent order.

(c) Directors serve staggered two-year terms. A director may be removed by the appointing person at any time without cause. Successor directors are appointed in the same manner as the original appointees.

(d) To qualify to serve as a director, a person must be a resident of the appointing political subdivision. An employee, officer, or member of the governing body of the appointing political subdivision may serve as a director, but may not have a personal interest in a contract executed by the district other than as an employee, officer, or member of the governing body of the political subdivision.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Amended by Acts 1999, 76th Leg., ch. 1076, Sec. 3, eff. Sept. 1, 1999.

Sec. 335.032. COMPENSATION. A board member is not entitled to compensation, but is entitled to reimbursement for actual and necessary expenses.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.033. MEETINGS. The board shall conduct its meetings in the district.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.034. OFFICERS. Except as provided by Section

335.035, the presiding officer is designated as provided by the concurrent order. The board shall designate from the members of the board a secretary and other officers the board considers necessary. Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1076, Sec. 4, eff. Sept. 1, 1999.

Sec. 335.035. ADDITIONAL REQUIREMENTS FOR BOARD OF DISTRICT CREATED IN POPULOUS COUNTY. (a) This section applies only to the board of a district located in whole or in part in a county with a population of 3.3 million or more.

(b) The mayor of each municipality and the commissioners court of each county that create the district shall appoint an equal number of directors in accordance with the orders creating the district and Section 335.031. An appointment of a director by a mayor must be confirmed by a majority vote of the governing body of the municipality.

(c) The mayors of the municipalities and the commissioners courts of the counties that create the district shall appoint a presiding officer by concurrent orders on or before the 30th day after the date on which either the two-year term of office expires or a vacancy occurs in the presiding officer's position. The appointment must be confirmed by a majority vote of the governing body of each municipality. The presiding officer serves for a two-year term.

(d) If the mayors and the commissioners courts fail to agree on the appointment of a presiding officer under Subsection (c), the board shall appoint, from the district's directors, a presiding officer by a majority vote at the first board meeting that follows the 30-day period described by Subsection (c). The confirmation requirement of Subsection (c) does not apply to an appointment of a presiding officer under this subsection.

(e) A presiding officer appointed under Subsection (d) shall resign as a director before serving as presiding officer. The vacancy created by the resignation is filled by the authority that appointed the director. The appointed director serves for the remainder of the vacated term.

(f) Section 335.031(b) does not apply to a district located in a county with a population of 3.3 million or more.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 91, eff. September 1, 2011.

SUBCHAPTER D. VENUE PROJECTS

Sec. 335.051. RESOLUTION AUTHORIZING PROJECT. (a) A district by resolution may provide for the planning, acquisition, establishment, development, construction, or renovation of a venue project if:

(1) the comptroller determines under Section 335.052 or 335.053 that the implementation of the resolution will not have a significant negative fiscal impact on state revenue;

(2) to the extent required by Section 335.0535 or 335.0536, a rapid transit authority determines that the implementation of the resolution will not have a significant negative impact on the authority's ability to provide services and will not impair any existing contracts; and

(3) the resolution is approved by a majority of the qualified voters of each political subdivision that created the district voting at one election or at separate elections called and held for that purpose under Section 335.054.

(b) The resolution must designate each venue project and each method of financing authorized by this chapter that the district wants to use to finance a project. A resolution may designate more than one method of financing.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.052. STATE FISCAL IMPACT ANALYSIS. (a) Before calling an election on the resolution under Section 335.054, the district shall send a copy of the resolution to the comptroller.

(b) Before the 15th day after the date the comptroller receives the copy of the resolution, the comptroller shall:

(1) perform an analysis to determine if approval and

implementation of the resolution will have a significant negative fiscal impact on state revenue; and

(2) provide to the district written notice of the results of the analysis.

(c) If the comptroller determines that implementation will have a significant negative fiscal impact on state revenue, the written analysis required under Subsection (b)(2) must include information on how to change the resolution so that implementation will not have a significant negative fiscal impact on state revenue.

(d) If the comptroller does not complete the analysis and provide the notice before the 30th day after the date the comptroller receives the copy of the resolution, the comptroller is considered to have determined that approval and implementation of the resolution will not have a significant negative fiscal impact on state revenue.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.053. APPEAL OF COMPTROLLER DETERMINATION. (a) If the comptroller determines under Section [335.052](#) that implementation of the resolution will have a significant negative fiscal impact on state revenue, the district may contest the finding by filing an appeal with the comptroller not later than the 10th day after the date the district receives the written notice under Section [335.052](#).

(b) Before the 11th day after the date the comptroller receives the appeal under Subsection (a), the comptroller shall perform a new analysis to determine if implementation of the resolution will have a significant negative fiscal impact on state revenue and provide to the district written notice of the results of the analysis.

(c) If the comptroller again determines that implementation will have a significant negative fiscal impact on state revenue, the written analysis required under Subsection (b) must include additional information on how to change the resolution so that implementation will not have a significant negative fiscal impact on state revenue.

(d) If the comptroller does not comply with Subsection (b) before the 30th day after the date the comptroller receives the appeal or request for information, the comptroller is considered to have determined that approval and implementation of the resolution will not have a significant negative fiscal impact on state revenue.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.0535. TRANSPORTATION AUTHORITY IMPACT ANALYSIS.

(a) If the resolution contains a proposed sales and use tax under Subchapter D, Chapter 334, and imposition of the tax would result in the reduction of the tax rate of a rapid transit authority created under Chapter 451, Transportation Code, or a regional transportation authority created under Chapter 452, Transportation Code, the district shall send a copy of the resolution to the authority before calling an election on the resolution under Section 335.054.

(b) Before the 30th day after the date the rapid transit authority receives the copy of the resolution, the authority shall:

(1) perform an analysis to determine if implementation of the proposed sales and use tax and the resulting reduction in the authority's tax rate will:

(A) have a significant negative impact on the authority's ability to provide services; or

(B) impair any existing contracts; and

(2) provide to the district written notice of the results of the analysis.

(c) If the rapid transit authority determines that implementation of the resolution will have a significant negative impact on the authority's ability to provide services or will impair any existing contracts, the written analysis required under Subsection (b)(2) must include information on how to change the resolution so that implementation will not have a significant negative impact on the authority's ability to provide service or will not impair any existing contracts.

(d) If the rapid transit authority does not complete the analysis and provide the notice before the 30th day after the date

the authority receives the copy of the resolution, the authority is considered to have determined that implementation of the resolution will not have a significant negative impact on the authority's ability to provide services and will not impair any existing contracts.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.0536. APPEAL OF AUTHORITY DETERMINATION. (a) If a rapid transit authority determines under Section 335.0535 that implementation of the resolution will have a significant negative impact on the authority's ability to provide services or will impair an existing contract, the district may contest the finding by filing an appeal with the authority not later than the 10th day after the date the district receives the written notice under Section 335.0535.

(b) Before the 11th day after the date the rapid transit authority receives the appeal under Subsection (a), the authority shall perform a new analysis to determine if implementation of the resolution will have a significant negative impact on the authority's ability to provide services or will impair an existing contract and provide to the district written notice of the results of the analysis.

(c) If the authority again determines that implementation will have a significant negative impact on the authority's ability to provide services or will impair an existing contract, the written analysis required under Subsection (b) must include additional information on how to change the resolution so that implementation will not have a significant negative impact on the authority's ability to provide services and will not impair an existing contract.

(d) If the rapid transit authority does not comply with Subsection (b) before the 11th day after the date the authority receives the appeal or request for information, the authority is considered to have determined that approval and implementation of the resolution will not have a significant negative impact on the authority's ability to provide services and will not impair any existing contracts.

Sec. 335.054. ELECTION. (a) If the comptroller determines under Section 335.052 or 335.053 that implementation of the resolution will not have a significant negative fiscal impact on state revenue, and, if applicable, the rapid transit authority determines under Section 335.0535 or 335.0536 that the implementation will not have a significant impact on the authority's ability to provide service and will not impair any existing contracts, the board may order an election or elections on the question of approving and implementing the resolution. In a district created by a county with a population of more than 3.3 million and a municipality with a population of more than 1.9 million, the board may order one district-wide election or may order a separate election in each political subdivision that created the district. The election or elections shall be held on the same day.

(b) The order calling the election or elections must:

(1) allow the voters to vote separately on each venue project;

(2) designate the venue project;

(3) designate each method of financing authorized by this chapter that the district wants to use to finance the project and the maximum rate of each method; and

(4) allow the voters to vote, in the same proposition or in separate propositions, on each method of financing authorized by this chapter that the district wants to use to finance the project and the maximum rate of each method.

(c) The ballot at the election or elections held under this section must be printed to permit voting for or against the proposition: "Authorizing _____ (insert name of district) to _____ (insert description of venue project) and to impose a _____ tax (insert type of tax) at the rate of _____ (insert maximum rate) for the purpose of financing the venue project."

(d) If more than one method of financing is to be voted on in one proposition, the ballot must be printed to permit voting for or against the proposition: "Authorizing _____ (insert name of

district) to _____ (insert description of venue project) and to impose a _____ tax at the rate of _____ (insert each type of tax and the maximum rate of each tax) for the purpose of financing the venue project."

(d-1) If the proposition is authorizing the imposition of a hotel occupancy tax, the ballot must include the following language: "If approved, the maximum hotel occupancy tax rate imposed from all sources in _____ (insert name of district) would be _____ (insert the maximum combined hotel occupancy tax rate that would be imposed from all sources at any location in the district if the rate proposed in the ballot proposition is adopted) of the price paid for a room in a hotel."

(e) If a majority of the votes cast at the district-wide election or at the election in each creating political subdivision approves the proposition authorizing the project, the district may implement the resolution. If separate elections are held and a majority of the votes cast in one or more of the creating political subdivisions disapproves the proposition authorizing the project, the district may not implement the resolution. If the project is approved, but one or more financing methods contained in separate propositions are disapproved, the district may use only the approved financing methods.

(f) The Election Code governs an election held under this chapter.

(g) Notwithstanding Subsections (c) and (d) of this section, if a district is presently collecting taxes from one or more methods of financing and seeks to use a portion of the revenue from the tax or taxes to finance the venue project and does not seek to change the rate of tax or taxes, the ballot at the election or elections held under this section must be printed to permit voting for or against the proposition: "Authorizing _____ (insert name of district) to _____ (insert description of venue project) using a portion of existing _____ (insert type of tax or taxes) tax for the purpose of financing the project."

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.
Amended by Acts 1999, 76th Leg., ch. 1076, Sec. 6, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 669, Sec. 99, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 966 (H.B. 1908), Sec. 5, eff. September 1, 2013.

Sec. 335.055. FALSE AND MISLEADING CAMPAIGN MATERIAL. (a) In this section, "campaign material" means a communication supporting or opposing the authorization of a venue project that:

(1) in return for consideration, is published in a newspaper, magazine, or other periodical or is broadcast by radio or television; or

(2) appears in a pamphlet, circular, flier, billboard or other sign, bumper sticker, or similar form of written communication.

(b) A person may not print, broadcast, or publish, or cause to be printed, broadcast, or published, campaign material that contains false and misleading information.

(c) An individual may file a complaint with the Texas Ethics Commission in accordance with Subchapter E, Chapter 571, Government Code, alleging a violation of Subsection (b). The commission may impose a penalty in accordance with Chapter 571, Government Code, if the commission determines that the campaign materials contain false and misleading information.

(d) Notwithstanding any other law, the Texas Ethics Commission has jurisdiction to consider and investigate a complaint filed under this section and to impose a penalty.

Added by Acts 2001, 77th Leg., ch. 1044, Sec. 7, eff. Sept. 1, 2001.

SUBCHAPTER E. POWERS AND DUTIES

Sec. 335.071. GENERAL POWERS OF DISTRICT. (a) A district may:

(1) perform any act necessary to the full exercise of the district's powers;

(2) accept a gift, grant, or loan from a:
(A) department or agency of the United States;
(B) department, agency, or political subdivision of this state; or

(C) public or private person;

(3) acquire, sell, lease, convey, or otherwise dispose of property or an interest in property, including a right-of-way or easement or an approved venue project, under terms and conditions determined by the district;

(4) employ necessary personnel; and

(5) adopt rules to govern the operation of the district and its employees and property.

(b) A district may contract with a public or private person, including one or more political subdivisions that created the district or a sports team, club, organization, or other entity, to:

(1) plan, acquire, establish, develop, construct, or renovate an approved venue project; or

(2) perform any other act the district is authorized to perform under this chapter, other than conducting an election under this chapter.

(c) A district may contract with or enter into an interlocal agreement with a school district, junior or community college district, or an institution of higher education as defined by Section 61.003, Education Code, for a purpose described by Subsection (b). The contract or interlocal agreement may provide for joint ownership and operation or joint use.

(d) The competitive bidding laws, including Chapter 271, do not apply to the planning, acquisition, establishment, development, construction, or renovation of an approved venue project.

(e) A district may impose any tax a municipality or county may impose under Chapter 334, subject to approval of the voters of the district as prescribed by this chapter and Chapter 334. The district shall impose the tax in the same manner as a county or municipality and may issue bonds in lieu of a county or municipality as required by Chapter 334.

(f) A district may not levy an ad valorem tax.

(g) In a transaction with another public entity that is made as provided by Subsection (a)(3), the public purpose found by the legislature under Section 335.074 is adequate consideration for the district and the other public entity.

(h) A district has the right and power of eminent domain under Chapter 21, Property Code, to acquire and condemn any interest, including a fee simple interest, in real property in the district, in connection with the planning, acquisition, establishment, development, construction, renovation, repair, maintenance, or operation of an approved venue project. A district is not required to provide bond for appeal or bond for costs under Section 21.021(a)(2) or (3), Property Code, in any lawsuit to which the district is a party and is not required to deposit more than the amount of the award in a suit.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.0711. LIMIT ON POWER TO OWN OR ACQUIRE REAL PROPERTY IN CERTAIN DISTRICTS. (a) In this section:

(1) "Facility site" means a site for:

(A) an arena, coliseum, stadium, or other type of area or facility:

(i) that is used or is planned for use for one or more professional or amateur sports events, community events, or other sports events, including rodeos, livestock shows, agricultural expositions, promotional events, and other civic or charitable events; and

(ii) for which a fee for admission to the events is charged or is planned to be charged; or

(B) a convention center facility or related improvement such as a convention center, civic center, civic center building, auditorium, theater, opera house, music hall, exhibition hall, rehearsal hall, museum, or aquarium.

(2) "Real property" includes an arena, coliseum, stadium, facility site, and related infrastructure.

(3) "Related infrastructure" means a store, restaurant, on-site hotel, concession, automobile parking facility, road, street, water or sewer facility, or other on-site improvement that relates to and enhances the use, value, or appeal of a venue.

(b) This section applies only to a district located in a county with a population of 3.3 million or more.

(c) Notwithstanding any other provision of this chapter, a district may not own or acquire real property by eminent domain or any other method unless the property is for a facility site or related infrastructure as part of an approved venue project.

(d) A district may not participate in any way in planning or zoning issues before the governing body of a municipality.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 1, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 92, eff. September 1, 2011.

Sec. 335.0715. USE OF FINANCING FOR CERTAIN PROJECTS. Notwithstanding any other provision of this chapter, a district, a municipality or county that created the district, or an entity created by or acting on behalf of or in conjunction with the district, municipality, or county, that contracts with a professional sports team or the team's owner or representative on or before November 1, 1998, for the team to relocate and play at an arena, coliseum, or stadium in the district may not use any method of financing authorized by this chapter to finance the acquisition or construction of the arena, coliseum, or stadium if the team is playing under an existing contract and is located in another arena, coliseum, or stadium owned by a different municipality or county in this state unless the governing body of that different municipality or county consents to the contract.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.072. VENUE PROJECT FUND. (a) A district in which an approved venue project is located shall establish by resolution a fund known as the venue project fund. The district shall establish separate accounts within the fund for the various revenue sources.

- (b) The district shall deposit into the venue project fund:
- (1) the proceeds from any tax imposed by the district;
 - (2) all revenue from the sale of bonds or other obligations by the district;
 - (3) money received under Section 335.075 from a

political subdivision that created the district; and

(4) any other money required by law to be deposited in the fund.

(c) The district may deposit into the venue project fund:

(1) money received by the district from innovative funding concepts such as the sale or lease of luxury boxes or the sale of licenses for personal seats; and

(2) any other revenue received by the district from the approved venue project, including stadium rental payments and revenue from concessions and parking.

(d) The district may use money in the venue project fund to:

(1) reimburse or pay the costs of planning, acquiring, establishing, developing, constructing, or renovating one or more approved venue projects in the district;

(2) pay the principal of, interest on, and other costs relating to bonds or other obligations issued by the district or to refund bonds or other obligations; or

(3) pay the costs of operating or maintaining one or more approved venue projects.

(e) Money deposited into the venue project fund, including money deposited under Subsection (c), is the property of the district depositing the money.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.0725. BOOKS, RECORDS, AND PAPERS. The books, records, and papers of the district relating to an approved venue project and the revenue used to finance the project are public information and subject to disclosure under Chapter 552, Government Code.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.073. BONDS AND OTHER OBLIGATIONS. (a) A district in which an approved venue project is located may issue bonds, including revenue bonds and refunding bonds, or other obligations to pay the costs of the approved venue project. For a district created by a county with a population of more than 3.3 million and a municipality with a population of more than 1.9 million, the power

of the district to issue bonds or other obligations is subject to the prior approval by the governing bodies of the county and municipality.

(b) The bonds or other obligations and the proceedings authorizing the bonds or other obligations shall be submitted to the attorney general for review and approval as required by Chapter [1202](#), Government Code.

(c) The bonds or other obligations must be payable from and secured by the designated revenues in the venue project fund.

(d) The bonds or other obligations may mature serially or otherwise not more than 30 years from their date of issuance.

(e) The bonds or other obligations are not a debt of and do not create a claim for payment against the revenue or property of the district other than the revenue sources pledged and an approved venue project for which the bonds are issued.

(f) A district may issue obligations and enter into credit agreements under Chapter [1371](#), Government Code. For purposes of that chapter, a district is a "public utility" and an approved venue project is an "eligible project."

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.
Amended by Acts 2001, 77th Leg., ch. 669, Sec. 100, eff. Sept. 1, 2001; Acts 2001, 77th Leg., ch. 1420, Sec. 8.327, eff. Sept. 1, 2001.

Sec. 335.074. PUBLIC PURPOSE OF VENUE PROJECT. (a) The legislature finds for all constitutional and statutory purposes that an approved venue project is owned, used, and held for public purposes by the district.

(b) Section [25.07\(a\)](#), Tax Code, does not apply to a leasehold or other possessory interest granted by the district while the district owns the venue project.

(c) The project is exempt from taxation under Section [11.11](#), Tax Code, while the district owns the venue project.

(d) If approval and implementation of a resolution under this chapter results in the removal from a school district's property tax rolls of real property otherwise subject to ad valorem taxation, the operator of the approved venue project located on

that real property shall pay to the school district on January 1 of each year in which the project is in operation and in which the real property is exempt from ad valorem taxation an amount equal to the ad valorem taxes that would otherwise have been levied for the preceding tax year on that real property by the school district, without including the value of any improvements. This subsection does not apply if the operator of the project is a political subdivision of this state.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.075. CONTRIBUTION OR DEDICATION OF CERTAIN REVENUE BY POLITICAL SUBDIVISION. (a) A political subdivision, including a metropolitan rapid transit authority created under Chapter 451, Transportation Code, may contribute or dedicate to the district all or part of the sales and use tax revenue received by the political subdivision that is generated, paid, or collected by any or all businesses operating in an approved venue project. If the political subdivision contributes or dedicates the revenue to assist the district in securing bonds or other obligations, including refunding bonds, that are issued to provide funding for an approved venue project, the political subdivision may not make a contribution or dedication for that purpose after the date on which those bonds or other obligations are no longer outstanding.

(b) A political subdivision may contribute or dedicate sales and use tax revenue under this section only if the governing body or governing board of the political subdivision determines that the approved venue project from which the revenue was or will be derived will contribute to the economic, cultural, or recreational development or well-being of the residents of the political subdivision.

(c) The district shall deposit revenue contributed or dedicated under this section in the venue project fund and may use the revenue in the same manner as any other money deposited in the fund.

(d) A contribution or dedication of revenue under this section is not a "method of financing" of the district as that term is used in Subchapter D.

Added by Acts 1997, 75th Leg., ch. 551, Sec. 1, eff. Sept. 1, 1997.

Sec. 335.076. CONTRACTS WITH HISTORICALLY UNDERUTILIZED BUSINESSES. (a) This section applies only in relation to an approved venue project constructed and operated under the authority of a district in a county with a population of more than two million that is adjacent to a county with a population of more than one million.

(b) In this section, "historically underutilized business" has the meaning assigned by Section [2161.001](#), Government Code.

(c) A district shall make a good faith effort to increase the contracts the district awards to historically underutilized businesses for the construction of a venue project. The district shall make the good faith effort in the same manner, based on the same rules, and under the same conditions as a state agency under Section [2161.182](#), Government Code.

(d) A district shall make a good faith effort to increase the contracts the district awards to historically underutilized businesses for the purchase of goods and services relating to the construction or operation of a venue project. The district shall make the good faith effort in the same manner, based on the same rules, and under the same conditions as a state agency under Section [2161.181](#), Government Code.

Added by Acts 2003, 78th Leg., ch. 164, Sec. 7, eff. May 27, 2003.

Sec. 335.077. EXEMPTION FROM CONSTRUCTION CONTRACTING LAW. Chapter [2269](#), Government Code, does not apply to this chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. [628](#)), Sec. 3.05, eff. September 1, 2011.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. [1093](#)), Sec. 22.002(26), eff. September 1, 2013.

Sec. 335.078. VENUE DISTRICT AS ENDORSING MUNICIPALITY OR COUNTY. (a) A venue district located in a county with a population of 3.3 million or more may act as an endorsing municipality or

endorsing county under Subtitle E-1, Title 4, Government Code.

(b) A venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code, shall remit for deposit into the trust fund established for the games or event the amounts determined by the comptroller under that subtitle. The comptroller shall determine the incremental increase in receipts attributable to the games or event and related activities under that subtitle based on the amount of applicable taxes imposed by each municipality or county that comprises the venue district and not on the amount of taxes imposed by the venue district.

(c) A venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code, may guarantee the district's obligations under a games or event support contract by pledging surcharges from user fees, including parking or ticket fees, charged in connection with the games or event and related activities.

(d) Subject to Subsection (b), a venue district acting as an endorsing municipality or endorsing county under Subtitle E-1, Title 4, Government Code, as authorized by this section, has all the powers of an endorsing municipality or endorsing county under that subtitle, and any action an endorsing municipality or endorsing county is required to take by ordinance or order under that subtitle may be taken by order or resolution of the venue district.

Added by Acts 2015, 84th Leg., R.S., Ch. 661 (H.B. [3402](#)), Sec. 1, eff. June 17, 2015.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. [4174](#)), Sec. 2.01, eff. April 1, 2021.

SUBCHAPTER F. CODE OF CONDUCT FOR CERTAIN DISTRICTS

Sec. 335.101. DEFINITIONS. In this subchapter:

(1) "Code of conduct" means the rules adopted by a board under Section [335.104](#).

(2) "Director" means a board member.

(3) "Employee" means a district employee.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.102. APPLICABILITY OF SUBCHAPTER. This subchapter applies only to a district located in a county with a population of 3.3 million or more.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1163 (H.B. 2702), Sec. 93, eff. September 1, 2011.

Sec. 335.103. APPLICABILITY OF LAWS. (a) Chapter 171 applies to an employee as if the employee was a local public official, as that term is defined by Section 171.001.

(b) Chapter 553, Government Code, applies to an employee as if the employee was a public servant, as that term is defined by Section 553.001, Government Code.

(c) Chapter 573, Government Code, applies to an employee as if the employee was a public official, as that term is defined in Section 573.001, Government Code.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.104. CREATION OF CODE OF CONDUCT; DISTRIBUTION.

(a) The board by rule shall adopt and maintain a code of conduct that establishes the general duties of directors and employees of the district and specific rules for directors, employees, and vendors. The code of conduct must include:

(1) information regarding a person's duties relating to the standards of conduct for a government officer or employee;

(2) a summary of and citation to the laws applicable to the conduct of a district officer, employee, or vendor, including a copy of the text of this subchapter;

(3) disclosure requirements for directors, employees, and vendors; and

(4) a summary of penalties provided by this subchapter and other law.

(b) The presiding officer of the board shall provide to directors, employees, and vendors, as often as necessary, the code

of conduct created under this section.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.105. RULEMAKING. The board by rule may modify its code of conduct.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.106. GENERAL DUTIES. A director or employee shall:

(1) be, and give the appearance of being, independent and impartial;

(2) place, and give the appearance of placing, the public interest above any private interest in the person's position of public trust; and

(3) strive to instill confidence in the integrity of the board and employees.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.107. VENDOR REQUIREMENTS. (a) This section applies to a vendor who:

(1) responds to a district request for a proposal; or

(2) otherwise communicates with the district in connection with a potential agreement between that vendor and the district.

(b) The board by rule shall design a conflict of interest questionnaire that requires disclosure of a vendor's affiliations or business relationships that might cause a conflict of interest.

(c) A vendor shall file a completed conflict of interest questionnaire with the board secretary not less than seven days after the vendor:

(1) begins contract discussions or negotiations with the district; or

(2) forwards an application, response to a request for proposal, correspondence, or other writings related to an agreement or potential agreement with the district.

(d) A vendor shall file an updated completed questionnaire with the board secretary:

(1) on September 1 of each year; and

(2) after each event that would make a statement in the questionnaire incomplete or inaccurate.

(e) Each contract entered into between a district and a vendor shall contain a provision stating that the contract is voidable if the board or vendor violates this section. A contract entered into between a district and a vendor is voidable if the board or a vendor violates this section.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.108. DISCLOSURE OF VENDOR RELATIONSHIP BY DIRECTORS AND EMPLOYEES. (a) The board by rule shall design a conflicts disclosure statement for directors and employees that includes:

(1) a requirement that each director and employee disclose:

(A) an employment or other business relationship with a vendor that results in the director's or employee's receiving taxable income, including the nature and extent of the relationship; and

(B) any gifts received in a 12-month period by that director or employee from a vendor that have a total value of more than \$250;

(2) an acknowledgment from the director or employee that:

(A) the disclosure applies to a person related to that director or employee within the first degree by consanguinity or by affinity, as defined by Subchapter B, Chapter 573, Government Code; and

(B) the statement covers the preceding 12 months; and

(3) a signature by the director or employee acknowledging execution of the statement under penalty of perjury.

(b) The disclosure requirement applies to a director or employee and requires disclosure for a person related to that director or employee within the first degree by consanguinity or by affinity, as defined by Subchapter B, Chapter 573, Government Code.

(c) A director or employee shall file a conflicts disclosure statement with the board secretary not later than the end of the first business day on which the director or employee became aware of the relationship between the district and the vendor if:

- (1) the vendor has contracted with the district;
- (2) the district is considering conducting business with the vendor; or
- (3) a vendor offered one or more gifts to that director or employee in the previous 12-month period that have a total value of more than \$250.

(d) If a director has knowledge that another director has not made a disclosure required by this section, the director may notify the presiding officer of the board of this fact, or may notify the board secretary if the presiding officer is the person who failed to make the disclosure. The presiding officer or secretary, as appropriate, may make a preliminary inquiry regarding the disclosure and may notify in writing the official who appointed the director of the alleged failure to disclose and the reasons for believing that a failure to disclose occurred.

(e) An employee may not receive during a 12-month period any gifts from a vendor that have a total value of more than \$250 unless the employee receives written approval from the presiding officer. Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.1085. FILING OF FINANCIAL STATEMENT BY DIRECTOR.

(a) A director shall file the financial statement required of state officers under Subchapter B, Chapter 572, Government Code, with:

- (1) the board; and
- (2) the Texas Ethics Commission.

(b) Subchapter B, Chapter 572, Government Code:

- (1) applies to a director as if the director were a state officer; and
- (2) governs the contents, timeliness of filing, and public inspection of a statement filed under this section.

(c) A director commits an offense if the director fails to file the statement required by this section. An offense under this section is a Class B misdemeanor.

Added by Acts 2003, 78th Leg., ch. 249, Sec. 6.03, eff. Sept. 1, 2003.

Sec. 335.109. REQUEST FOR OPINION FROM GENERAL COUNSEL.

(a) An employee, with the presiding officer's consent, or a director may seek a written advisory opinion from the district's general counsel concerning whether a violation of Section 335.107 or 335.108 exists in a certain situation. The request must provide detailed information about the alleged violation or hypothetical situation.

(b) After receiving a request, the district's general counsel shall prepare a written advisory opinion addressing whether a violation has occurred under the information provided.

(c) A director or employee may rely in good faith on a written advisory opinion issued under this section with respect to a potential violation of Section 335.107 or 335.108.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

Sec. 335.110. PENALTIES. The board may reprimand, suspend, or terminate an employee who violates the district's code of conduct.

Added by Acts 1999, 76th Leg., ch. 1076, Sec. 2, eff. Sept. 1, 1999.

SUBCHAPTER G. DISSOLUTION OF DISTRICTS IN LESS POPULOUS COUNTIES

Sec. 335.151. APPLICABILITY. This subchapter applies only to a district wholly located in a county with a population of less than 15,000.

Added by Acts 2011, 82nd Leg., R.S., Ch. 951 (H.B. 1040), Sec. 2, eff. June 17, 2011.

Sec. 335.152. DISSOLUTION. The governing body of each political subdivision that created a district may dissolve the district by adopting a concurrent order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 951 (H.B. 1040), Sec. 2, eff. June 17, 2011.

Sec. 335.153. ASSETS AND LIABILITIES. (a) The assets and liabilities of a district dissolved under this subchapter shall be transferred to the county in which the district is located.

(b) After payment of district liabilities, the county shall use the district assets that remain for an approved venue project of the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 951 (H.B. [1040](#)), Sec. 2, eff. June 17, 2011.