

LOCAL GOVERNMENT CODE  
TITLE 12. PLANNING AND DEVELOPMENT  
SUBTITLE B. COUNTY PLANNING AND DEVELOPMENT  
CHAPTER 387. COUNTY ASSISTANCE DISTRICT

Sec. 387.001. DEFINITION. In this chapter, "district" means a county assistance district created under this chapter. Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.001 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Sec. 387.003. CREATION AND FUNCTIONS OF DISTRICT.

(a) The commissioners court of the county may call an election on the question of creating a county assistance district under this chapter. More than one county assistance district may be created in a county. A district may consist of noncontiguous tracts.

(a-1) A district may perform the following functions in the district:

(1) the construction, maintenance, or improvement of roads or highways;

(2) the provision of law enforcement and detention services;

(3) the maintenance or improvement of libraries, museums, parks, or other recreational facilities;

(4) the provision of services that benefit the public health or welfare, including the provision of firefighting and fire prevention services; or

(5) the promotion of economic development and tourism.

(b) The order calling the election must:

(1) define the boundaries of the district to include any portion of the county in which the combined tax rate of all local sales and use taxes imposed, including the rate to be imposed by the district if approved at the election, would not exceed the maximum combined rate of sales and use taxes imposed by political subdivisions of this state that is prescribed by Sections 321.101 and 323.101, Tax Code; and

(2) call for the election to be held within those boundaries.

(b-1) If the proposed district includes any territory of a municipality, the commissioners court shall send notice by certified mail to the governing body of the municipality of the commissioners court's intent to create the district. If the municipality has created a development corporation under Chapter 504 or 505, the commissioners court shall also send the notice to the board of directors of the corporation. The commissioners court must send the notice not later than the 60th day before the date the commissioners court orders the election. The governing body of the municipality may exclude the territory of the municipality from the proposed district by sending notice by certified mail to the commissioners court of the governing body's desire to exclude the municipal territory from the district. The governing body must send the notice not later than the 45th day after the date the governing body receives notice from the commissioners court under this subsection. The territory of a municipality that is excluded under this subsection may subsequently be included in:

(1) the district in an election held under Subsection (f) with the consent of the municipality; or

(2) another district after complying with the requirements of this subsection and after an election under Subsection (f).

(c) The ballot at the election must be printed to permit voting for or against the proposition: "Authorizing the creation of the \_\_\_\_ County Assistance District No.\_\_\_\_ (insert name of district) and the imposition of a sales and use tax at the rate of \_\_\_\_ percent (insert appropriate rate) for the purpose of financing the operations of the district."

(d) The district is created if a majority of the votes received at the election favor the creation of the district.

Text of subsection as amended by Acts 2011, 82nd Leg., R.S., Ch. 396  
(S.B. 520), Sec. 1

(e) If a majority of the votes received at the election are

against the creation of the district, the district is not created. The failure to approve the creation of a district under this subsection does not affect the authority of the county to call one or more elections on the question of creating one or more county assistance districts.

Text of subsection as amended by Acts 2011, 82nd Leg., R.S., Ch.

1341 (S.B. [1233](#)), Sec. 21

(e) If a majority of the votes received at the election are against the creation of the district, the district is not created and the county at any time may call one or more elections on the question of creating one or more county assistance districts.

(f) The commissioners court may call an election to be held in an area of the county that is not located in a district created under this section to determine whether the area should be included in the district and whether the district's sales and use tax should be imposed in the area. An election may not be held in an area in which the combined tax rate of all local sales and use taxes imposed, including the rate to be imposed by the district if approved at the election, would exceed the maximum combined rate of sales and use taxes imposed by political subdivisions of this state that is prescribed by Sections [321.101](#) and [323.101](#), Tax Code.

(g) The area in which an election is held under Subsection (f) is included in the district and the sales and use tax is imposed if a majority of the votes received at the election favor inclusion in the district and imposition of the sales and use tax.

(h) If more than one election to authorize a local sales and use tax is held on the same day in the area of a proposed district or an area proposed to be added to a district and if the resulting approval by the voters would cause the imposition of a local sales and use tax in any area to exceed the maximum combined rate of sales and use taxes of political subdivisions of this state that is prescribed by Sections [321.101](#) and [323.101](#), Tax Code, only a tax authorized at an election under this section may be imposed.

(i) In addition to the authority to include an area in a district under Subsection (f), the governing body of a district by

order may include an area in the district on receipt of a petition or petitions signed by the owner or owners of the majority of the land in the area to be included in the district. If there are no registered voters in the area to be included in the district, no election is required.

(j) The commissioners court by order may exclude an area from the district if the district has no outstanding bonds payable wholly or partly from sales and use taxes and the exclusion does not impair any outstanding district debt or contractual obligation.

(k) A district annexing territory under this section may annex territory that is not adjacent or contiguous to the district. Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.003 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1252 (H.B. [1937](#)), Sec. 2, eff. June 18, 2005.

Acts 2007, 80th Leg., R.S., Ch. 685 (H.B. [1720](#)), Sec. 2, eff. June 15, 2007.

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. [1969](#)), Sec. 15.010, eff. September 1, 2009.

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. [520](#)), Sec. 1, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. [1233](#)), Sec. 21, eff. June 17, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 479 (S.B. [1167](#)), Sec. 1, eff. June 14, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1106 (H.B. [3795](#)), Sec. 1, eff. June 14, 2013.

Acts 2017, 85th Leg., R.S., Ch. 827 (H.B. [1716](#)), Sec. 1, eff. September 1, 2017.

Sec. 387.0031. INCLUSION OF ROADS OR COUNTY PROPERTY IN CERTAIN DISTRICTS. (a) This section applies only to a district created by a county with a population of more than 580,000 that borders a county with a population of more than four million.

(b) The governing body of a district by order may include in

the district a portion of a road or public right-of-way, including associated drainage areas, or county-owned property that is being used for a public purpose if:

(1) the road, public right-of-way, or county-owned property is located in a municipality located in the county that created the district; and

(2) the municipality consents to the inclusion.

(b-1) An election is not required to approve an order described by Subsection (b).

(c) The district may use money available to the district to perform any function of the district under this chapter on a road or public right-of-way, including associated drainage areas, or any property included in the district in accordance with this section.

Added by Acts 2015, 84th Leg., R.S., Ch. 442 (H.B. 2599), Sec. 1, eff. June 15, 2015.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 614 (H.B. 3504), Sec. 1, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 614 (H.B. 3504), Sec. 2, eff. September 1, 2017.

Sec. 387.004. POLITICAL SUBDIVISION. A district is a political subdivision of this state.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999.

Renumbered from Local Government Code Sec. 384.004 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Sec. 387.005. GOVERNING BODY. (a) The commissioners court of the county in which the district is created by order shall provide that:

(1) the commissioners court is the governing body of the district; or

(2) the commissioners court shall appoint a governing body of the district.

(b) A member of the governing body of the district is not entitled to compensation for service but is entitled to reimbursement for actual and necessary expenses.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 1341  
(S.B. 1233), Sec. 22, eff. June 17, 2011

(c) A board of directors appointed by the commissioners court under this section shall consist of five directors who serve staggered terms of two years. To be eligible to serve as a director, a person must be at least 18 years of age and a resident of the county in which the district is located. The initial directors shall draw lots to achieve staggered terms, with three of the directors serving one-year terms and two of the directors serving two-year terms.

Text of subsection as added by Acts 2011, 82nd Leg., R.S., Ch. 396  
(S.B. 520), Sec. 2, eff. June 17, 2011

(c) A board of directors appointed by the commissioners court under this section shall consist of five directors who serve staggered terms of two years. To be eligible to serve as a director, a person must be a resident of the county in which the district is located. The initial directors shall draw lots to achieve staggered terms, with three of the directors serving one-year terms and two of the directors serving two-year terms.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999.  
Renumbered from Local Government Code Sec. 384.005 by Acts 2003,  
78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 2, eff.  
June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 22,  
eff. June 17, 2011.

Sec. 387.006. GENERAL POWERS OF DISTRICT. (a) A district may:

- (1) perform any act necessary to the full exercise of the district's functions;
- (2) accept a grant or loan from:

(A) the United States;  
(B) an agency or political subdivision of this state; or

(C) a public or private person;

(3) acquire, sell, lease, convey, or otherwise dispose of property or an interest in property under terms determined by the district;

(4) employ necessary personnel;

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

(6) enter into agreements with municipalities necessary or convenient to achieve the district's purposes, including agreements regarding the duration, rate, and allocation between the district and the municipality of sales and use taxes.

(b) A district may contract with a public or private person to perform any act the district is authorized to perform under this chapter.

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

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999.  
Renumbered from Local Government Code Sec. 384.006 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 3, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 23, eff. June 17, 2011.

Sec. 387.007. SALES AND USE TAX. (a) A district by order may impose a sales and use tax under this chapter to finance the operations of the district only if the tax is approved at an election held under Section 387.003.

(b) A district may not adopt a sales and use tax under this chapter if the adoption of the tax would result in a combined tax rate of all local sales and use taxes that would exceed the maximum combined rate prescribed by Sections 321.101 and 323.101, Tax Code, in any location in the district.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999.

Renumbered from Local Government Code Sec. 384.007 and amended by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), 3(36), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 4, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 24, eff. June 17, 2011.

Sec. 387.008. TAX CODE APPLICABLE. (a) Chapter 323, Tax Code, governs the imposition, computation, administration, collection, and remittance of a tax authorized under this chapter except as inconsistent with this chapter.

(b) Section 323.101(b), Tax Code, does not apply to a tax authorized by this chapter.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.008 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Sec. 387.009. TAX RATE. The rate of a tax adopted under this chapter must be in increments of one-eighth of one percent.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.009 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 5, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 25, eff. June 17, 2011.

Sec. 387.010. REPEAL OR RATE CHANGE. (a) A district that has adopted a sales and use tax under this chapter may, by order and subject to Section 387.007(b):

(1) reduce the rate of the tax or repeal the tax without an election, except that the district may not repeal the sales and use tax or reduce the rate of the sales and use tax below the amount pledged to secure payment of an outstanding district



debt or contractual obligation;

(2) increase the rate of the sales and use tax, if the increased rate of the sales and use tax will not exceed the rate approved at an election held under Section 387.003; or

(3) increase the rate of the sales and use tax to a rate that exceeds the rate approved at an election held under Section 387.003 after the increase is approved by a majority of the votes received in the district at an election held for that purpose.

(b) The tax may be changed under Subsection (a) in one or more increments of one-eighth of one percent.

(c) The ballot for an election to increase the tax shall be printed to permit voting for or against the proposition: "The increase of a sales and use tax for the \_\_\_\_ County Assistance District No. \_\_\_\_ (insert name of district) from the rate of \_\_\_\_ percent (insert appropriate rate) to the rate of \_\_\_\_ percent (insert appropriate rate)."

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1341, Sec. 29, eff. June 17, 2011.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.010 and amended by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), 3(37), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 6, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 8, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 26, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 29, eff. June 17, 2011.

Sec. 387.011. IMPOSITION OF TAX. (a) If the district adopts the tax, a tax is imposed on the receipts from the sale at retail of taxable items in the district at the rate approved at the election.

(b) There is also imposed an excise tax on the use, storage,

or other consumption in the district of tangible personal property purchased, leased, or rented from a retailer during the period that the tax is effective in the district. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sale price of the tangible personal property.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.011 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Sec. 387.012. EFFECTIVE DATE OF TAX. The adoption of the tax, the increase or reduction of the tax rate, or the repeal of the tax takes effect on the first day of the first calendar quarter occurring after the expiration of the first complete quarter occurring after the date the comptroller receives a copy of the order of the district's governing body adopting, increasing, reducing, or repealing the tax.

Added by Acts 1999, 76th Leg., ch. 1283, Sec. 1, eff. June 18, 1999. Renumbered from Local Government Code Sec. 384.012 by Acts 2003, 78th Leg., ch. 1275, Sec. 2(110), eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 396 (S.B. 520), Sec. 7, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1341 (S.B. 1233), Sec. 27, eff. June 17, 2011.

Sec. 387.013. DISSOLUTION. (a) The governing body of a district may petition the commissioners court of the county in which the district was created to dissolve the district if a majority of the governing body finds the performance of the district's functions cannot be accomplished to the benefit of the residents and owners of land in the district.

(b) The commissioners court of a county shall hold a hearing on the dissolution of a district if:

(1) the commissioners court receives a petition under Subsection (a); or

(2) in a district in which the commissioners court acts as the governing body of the district, a majority of the

commissioners court finds that the performance of the district's functions cannot be accomplished to the benefit of the residents and owners of land in the district.

(c) A hearing under Subsection (b) must be held not later than the 61st day after the commissioners court receives the petition under Subsection (b)(1) or makes the finding described by Subsection (b)(2).

(d) The commissioners court shall give notice of the hearing as required by law and include in the notice information regarding the right of the residents and owners of land in the district to appear and present evidence for or against the district's dissolution.

(e) The commissioners court shall order the district dissolved and the district's assets transferred to the county if:

(1) the commissioners court unanimously votes that dissolution of the district is in the best interests of the district, the county in which the district is located, and the residents and owners of land in the district; and

(2) the district has no outstanding bonds payable wholly or partly from district revenue and the dissolution does not impair any outstanding district debt or contractual obligation.

Added by Acts 2019, 86th Leg., R.S., Ch. 1053 (H.B. [956](#)), Sec. 1, eff. September 1, 2019.