

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT  
CHAPTER 3813. OLD TOWN SPRING IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3813.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Old Town Spring Improvement District.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.002. OLD TOWN SPRING IMPROVEMENT DISTRICT. The Old Town Spring Improvement District is a special district created under Section 59, Article XVI, Texas Constitution.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.003. 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.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, scenic beauty, and the public welfare in the Old Town Spring area of Harris County.

(c) This chapter and the creation of the district do not relieve Harris County from providing the level of services provided as of September 1, 2001, to the area in the district. The district is created to supplement and not to replace the county services provided in the area in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE;

GENERAL DUTIES. (a) The district is created to serve a public use and benefit.

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

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

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district shall:

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

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

(3) provide and maintain common areas and facilities in the district to ensure scenic beauty;

(4) provide improvements in the district to promote the welfare of the public, residents, merchants, and landowners in the district; and

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

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

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1371,

Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, as that territory may have been modified under:

(1) Section 3813.107(a) or its predecessor statute, former Section 376.462(a)(3), Local Government Code, as added by Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district contained in Section 1, Chapter 1371, Acts of the 77th Legislature, Regular Session, 2001, enacting former Section 376.454, Local Government Code, form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not in any way affect the district's:

(1) organization, existence, or validity;

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

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

(4) legality or operation.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3813.051. BOARD OF DIRECTORS. (a) The district is governed by a board of five directors who occupy numbered positions. The directors occupying positions one, two, and three are appointed under this section, and the directors occupying positions four and five are elected as provided by this section and Section 3813.052.

(b) The Commissioners Court of Harris County shall appoint:

(1) one person who leases a retail store or who owns real property in the district to serve in position one for a three-year term;

(2) one person who leases a retail store but does not own real property in the district to serve in position two for a

two-year term; and

(3) one person who owns real property in the district to serve in position three for a three-year term.

(c) A director elected under Section 3813.052 serves a two-year term. To qualify as a candidate for position four, a person must reside in the district. To qualify as a candidate for position five, a person must lease a retail store or own real property in the district.

(d) A term expires on January 31 of the appropriate year.

(e) In appointing directors under Subsection (b), the commissioners court shall consider any recommendation received by an organization dedicated to the economic development of the Old Town Spring area.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.052. ELECTION OF DIRECTORS. (a) The board shall hold an election of directors for positions four and five in each even-numbered year on the uniform election date in February established by Section 41.001, Election Code.

(b) In addition to the contents required by the Election Code, notice of a directors' election must:

(1) state the number of directors to be voted on; and

(2) describe the qualifications for each position for which a candidate is running.

(c) In addition to requirements prescribed by the Election Code, the ballots for a directors' election shall describe the qualifications of the position for which each candidate is running.

(d) The board shall certify that the person receiving the highest number of votes for each position is elected as the director for that position.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.053. LAW GOVERNING ADMINISTRATION OF BOARD. Sections 375.066-375.070, Local Government Code, apply to the board as if it were established under Chapter 375 of that code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.054. VOTING BY BOARD PRESIDENT RESTRICTED. The board president may not vote except to break a tie vote.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3813.101. DISTRICT POWERS. The district has:

(1) all powers necessary to accomplish the purposes for which the district was created;

(2) the powers and duties of a municipal management district under Subchapter E, Chapter 375, Local Government Code; and

(3) the powers given to a corporation organized under the Development Corporation Act (Subtitle C1, Title 12, Local Government Code).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.42, eff. April 1, 2009.

Sec. 3813.103. RULES. The district may adopt rules for:

(1) the administration and operation of the district;

(2) the use, enjoyment, availability, protection, security, and maintenance of the district's facilities; and

(3) the provision of public safety and security in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.104. SPECIFIC POWERS RELATING TO IMPROVEMENT PROJECTS OR SERVICES. (a) The district may undertake an improvement project separately or jointly with another person and pay all or part of the costs of an improvement project, including an improvement project that:

(1) improves, enhances, or supports public safety and security, fire protection, emergency medical services, or law enforcement in the district;

(2) confers a general benefit on the entire district

and the areas adjacent to the district; or

(3) confers a special benefit on all or part of the district.

(b) A district improvement project or service may include:

(1) the construction, acquisition, lease, rental, installment purchase, improvement, rehabilitation, repair, relocation, and operation of:

(A) landscaping; lighting, banners, or signs; streets or sidewalks; pedestrian or bicycle paths and trails; pedestrian walkways, skywalks, crosswalks, or tunnels; and highway right-of-way or transit corridor beautification and improvements;

(B) drainage or storm water detention improvements and solid waste, water, sewer, or power facilities and services, including electrical, gas, steam, and chilled water facilities and services;

(C) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves; fountains, plazas, or pedestrian malls; public art or sculpture and related exhibits and facilities and educational or cultural exhibits and facilities, including exhibits, displays, attractions, or facilities for special events, holidays, or seasonal or cultural celebrations;

(D) off-street parking facilities, bus terminals, heliports, mass transit, and roadway or water transportation systems; and

(E) other public improvements, facilities, or services similar to the improvements, facilities, or services described by Paragraphs (A)-(D);

(2) the cost of removing, razing, demolishing, or clearing of land or improvements in connection with providing an improvement project;

(3) the acquisition of property or an interest in the property that is made in connection with an improvement project; and

(4) the provision of special or supplemental services to improve or promote the area in the district or to protect the public health and safety in the district, including advertising,

promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and recreational, educational, or cultural improvements, enhancements, or services.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.105. LEASE, ACQUISITION, OR CONSTRUCTION OF BUILDING OR FACILITY; ECONOMIC DEVELOPMENT PROGRAMS. The district may, as if the district were a home-rule municipality with a population of more than 100,000:

(1) issue bonds and lease, acquire, or construct a building or facility as provided by Subchapter A, Chapter 1509, Government Code; and

(2) establish and administer a program as provided by Section 380.002, Local Government Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.106. CONTRACTS; GRANTS; DONATIONS. (a) The district may contract with any person to accomplish the purposes of this chapter on terms and for the period the board determines, including contracting for the payment of costs incurred by the person on behalf of the district, including all or part of the costs of an improvement project, from tax proceeds or any other specified source of money.

(b) The district may contract with a person to receive, administer, and perform the district's duties under a gift, grant, loan, conveyance, transfer, bequest, donation, or other financial arrangement relating to the investigation, planning, analysis, acquisition, construction, completion, implementation, or operation of a proposed or existing improvement project.

(c) Any person, including any type of governmental entity, may contract with the district to carry out the purposes of this chapter.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.107. ANNEXATION OR EXCLUSION OF TERRITORY. (a)

The district may add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code.

(b) Not later than the 10th day after the date on which the district annexes or excludes territory, the board shall send to the comptroller a certified copy of any resolution, order, or ordinance relating to the annexation or exclusion.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.108. EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.109. PEACE OFFICERS. The district may not employ peace officers.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

#### SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3813.151. SALES AND USE TAX; EXCISE TAX. (a) For purposes of this section:

(1) "Taxable items" includes all items subject to a sales and use tax that is imposed by Harris County.

(2) "Use," with respect to a taxable service, means the derivation in the district of a direct or indirect benefit from the service.

(b) The district may impose a sales and use tax if authorized by a majority vote at an election held for that purpose.

(c) If the district adopts a sales and use tax:

(1) the tax is imposed on the receipts from the sale at retail of taxable items in the district; and

(2) an excise tax is imposed on the use, storage, or other consumption in the district of taxable items purchased or rented from a retailer during the period in which the sales and use tax is effective in the district.

(d) The rate of the excise tax is the same as the rate of the sales tax portion of the tax applied to the sales price of the taxable items and is included in the sales tax.



Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.152. TAX ELECTION PROCEDURES. (a) The board may order an election to adopt, change the rate of, or abolish a sales and use tax. The election may be held at the same time and in conjunction with a directors' election.

(b) The election must be held on the next uniform election date that falls on or after the 45th day after the date the election order is adopted.

(c) Notice of the election shall be given and the election shall be held in the manner prescribed for a bond election by Subchapter D, Chapter 49, Water Code.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.153. BALLOT WORDING. (a) In an election to adopt a sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The adoption of a local sales and use tax in the Old Town Spring Improvement District at the rate of (proposed tax rate)."

(b) In an election to change the rate of the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The (increase or decrease, as applicable) in the rate of the local sales and use tax imposed in the Old Town Spring Improvement District from (tax rate on election date) percent to (proposed tax rate) percent."

(c) In an election to abolish the sales and use tax, the ballot shall be prepared to permit voting for or against the proposition: "The abolition of the local sales and use tax in the Old Town Spring Improvement District."

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.154. IMPOSITION, COMPUTATION, ADMINISTRATION, AND GOVERNANCE OF TAXES. (a) Chapter 323, Tax Code, to the extent not inconsistent with this chapter, governs the application, collection, and administration of the sales and use tax and the excise tax, except that Sections 323.401-323.406 and 323.505, Tax Code, do not apply. Subtitles A and B, Title 2, and Chapter 151, Tax

Code, govern the administration and enforcement of the sales and use tax and the excise tax.

(b) Chapter 323, Tax Code, does not apply to the use and allocation of revenues under this chapter.

(c) In applying Chapter 323, Tax Code:

(1) a reference in that chapter to "the county" means the district; and

(2) a reference in that chapter to "the commissioners court" means the board.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.155. TAX RATES. The district may impose the sales and use tax and the excise tax in increments of one-eighth of one percent, with a minimum tax of one-half percent and a maximum tax of one percent.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.156. ABOLITION OF TAX. The board by order and without an election may abolish the sales and use tax and the excise tax.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.157. USE OF TAXES. The district may use the proceeds from the sales and use tax and the excise tax only for the purposes for which the district was created.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.158. EFFECTIVE DATE OF TAX OR TAX CHANGE. The adoption of a tax rate or a change in the tax rate takes effect after the expiration of the first complete calendar quarter occurring after the date on which the comptroller receives a notice of the results of the election.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.159. AD VALOREM TAX PROHIBITED. The district may not impose an ad valorem tax on property in the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.160. FEES; CHARGES. The district may:

- (1) establish and collect user fees, concession fees, admission fees, rental fees, or other similar fees or charges; and
- (2) apply the proceeds from those fees or charges for the enjoyment, sale, rental, or other use of the district's facilities, services, or improvement projects.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.161. BORROWING MONEY. The district may borrow money for the corporate purposes of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.162. PAYMENT OF EXPENSES. The district may provide or secure the payment or repayment of any district expense, including:

- (1) a district cost relating to an improvement project;
- (2) a district contractual obligation or indebtedness, because of a lease, installment purchase contract, or other agreement; or
- (3) a tax, user fee, concession fee, rental fee, or other revenue or resources of the district.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.163. BONDS. (a) The board may issue bonds as provided by Subchapter J, Chapter 375, Local Government Code.

(b) In addition to the sources described in Subchapter J, Chapter 375, Local Government Code, bonds issued by the district may be secured and made payable, in whole or in part, by a pledge of any part of the net proceeds the district receives from a specified portion of not more than one-half of the district's maximum sales and use tax amount authorized under Section 3813.152.

(c) Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

## SUBCHAPTER E. DISSOLUTION

Sec. 3813.201. DISSOLUTION BY BOARD ORDER. The board by order may dissolve the district at any time unless the district has outstanding indebtedness or contractual obligations.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.202. DISSOLUTION BY PETITION OF OWNERS. (a) The board by order shall dissolve the district if the board receives a written petition signed by 75 percent or more of the individuals who own real property in the district.

(b) After the date the district is dissolved, the district may not impose taxes.

(c) If on the date the district is dissolved the district has outstanding liabilities, the board shall, not later than the 30th day after the date of dissolution, adopt a resolution certifying each outstanding liability. Harris County shall assume the outstanding liabilities and shall collect the sales and use tax for the district for the remainder of the calendar year. Harris County may continue to collect the tax for an additional calendar year if the commissioners court of the county finds that the tax revenue is needed to retire the district liabilities that were assumed by the county.

(d) The district may continue to operate for a period not to exceed two months after performing its duties under Subsection (c). The district is continued in effect for the purpose of performing those duties.

(e) If the district is continued in effect under Subsection (d), the district is dissolved entirely on the first day of the month following the month in which the board certifies to the secretary of state that the district has fully performed its duties under Subsection (c).

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

Sec. 3813.203. ADMINISTRATION OF DISTRICT PROPERTY FOLLOWING DISSOLUTION. (a) After the date the board orders the dissolution of the district, the board shall transfer ownership of

all district property to Harris County, except as provided by Subsection (b).

(b) If, on the date on which the board orders the dissolution, more than 50 percent of the district territory is in a municipality, the board shall transfer ownership of the district's property to the municipality.

Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.