

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3816. FRISCO SQUARE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3816.001. DEFINITIONS. In this subchapter:

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

(2) "District" means the Frisco Square Management District.

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

Sec. 3816.002. FRISCO SQUARE MANAGEMENT DISTRICT. The Frisco Square Management 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. 3816.003. 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. By creating the district and in authorizing Collin County, the City of Frisco, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the City of Frisco's central business area.

(c) This chapter and the creation of the district may not be interpreted to relieve Collin County or the City of Frisco from providing the level of services provided as of September 1, 2001, to the area in the district or to release the county or city from the

obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the city services provided in the area in the district.

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

Sec. 3816.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

(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) Each improvement project or service authorized by this chapter is essential to carry out a public purpose and will benefit:

(1) all land and property in the district;

(2) the employees, employers, and consumers of the district; and

(3) the public.

(e) The district will:

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

(2) provide needed funding for the City of Frisco's central business area extension to the west to:

(A) preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and

(B) provide a government center for the city;

(3) promote the health, safety, and general welfare of residents, employers, employees, visitors, and consumers in the district, and of the public by providing, maintaining, and

operating:

(A) attractive, safe, and convenient street and road improvements;

(B) off-street parking facilities; and

(C) necessary water, sewer, and drainage facilities to serve the area within the district; and

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

(f) Pedestrian ways along or across a street, at grade or above or below the surface, and street lighting, street landscaping, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

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

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

Sec. 3816.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1384, 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 [3816.107](#) or its predecessor statute, former Section 376.466, Local Government Code, as added by Chapter 1384, 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 1384, 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 affect the district's:

- (1) organization, existence, or validity;
 - (2) right to issue any type of bond or other obligation 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.

Sec. 3816.006. ELIGIBILITY FOR REINVESTMENT OR ENTERPRISE ZONES. (a) All or any part of the area of the district is eligible, regardless of other statutory criteria, to be included in:

- (1) a tax increment reinvestment zone created by the City of Frisco under Chapter [311](#), Tax Code; or

- (2) a tax abatement reinvestment zone created by the City of Frisco under Chapter [312](#), Tax Code.

(b) All or any part of the area of the district is eligible to be nominated for inclusion in an enterprise zone by the City of Frisco under Chapter [2303](#), Government Code.

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

Sec. 3816.007. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter [375](#), Local Government Code, applies to the district, the board, and district employees.

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

Sec. 3816.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

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

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3816.051. BOARD OF DIRECTORS. The district is governed by a board of five directors appointed under Section [3816.052](#) and three directors serving ex officio under Section [3816.053](#).

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

Sec. 3816.052. APPOINTED DIRECTORS. (a) The governing body of the City of Frisco shall appoint directors who meet the qualifications of Subchapter D, Chapter 375, Local Government Code.

(b) The appointed directors serve staggered terms of four years, with two directors' terms expiring July 1 of an odd-numbered year and three directors' terms expiring July 1 of the following odd-numbered year.

(c) Notwithstanding the common law doctrine of incompatibility, members of the governing body of the City of Frisco may be appointed to the board. The term of a director who is also a member of the governing body of the City of Frisco expires when the member's term on the governing body expires. The person may be reappointed to the board to complete the unexpired term on the board.

(d) A person may not be appointed to the board if the appointment of that person would result in fewer than three of the directors residing in the City of Frisco.

(e) The governing body of the City of Frisco shall appoint a director to fill a vacancy that occurs on the board.

(f) District directors are public officials entitled to governmental immunity for their official actions.

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

Sec. 3816.053. EX OFFICIO DIRECTORS. (a) The following persons serve as nonvoting ex officio directors:

- (1) the manager of the City of Frisco;
- (2) the financial director of the City of Frisco; and
- (3) the planning director of the City of Frisco.

(b) If an office described by Subsection (a) is renamed, changed, or abolished, the governing body of the City of Frisco may appoint another city officer or employee who performs duties comparable to those performed by the officer described by Subsection (a).

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

Sec. 3816.054. CONFLICTS OF INTEREST. (a) Except as provided by Section 3816.053 or this section:

(1) a director may participate in all board votes and decisions; and

(2) Chapter 171, Local Government Code, governs conflicts of interest of board members.

(b) Section 171.004, Local Government Code, does not apply to the district. A director who has a substantial interest in a business or charitable entity that will receive a pecuniary benefit from a board action shall file an affidavit with the board secretary declaring the interest. Another affidavit is not required if the director's interest changes.

(c) After the affidavit is filed, the director may participate in a discussion or vote on that action if:

(1) a majority of the directors have a similar interest in the same entity;

(2) all other similar business or charitable entities in the district will receive a similar pecuniary benefit; or

(3) the director is a property owner in the district.

(d) A director who is also an officer or employee of a public entity may not participate in a discussion of or vote on a matter regarding a contract with that same public entity.

(e) For purposes of this section, a director has a substantial interest in a charitable entity in the same manner that a person would have a substantial interest in a business entity under Section 171.002, Local Government Code.

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

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3816.101. DISTRICT POWERS. (a) The district has all powers necessary to accomplish the purposes for which the district was created.

(b) The district may exercise the powers given to:

(1) a corporation created under Chapter 505, Local Government Code; or

(2) a housing finance corporation created under

Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

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. 3.45, eff. April 1, 2009.

Sec. 3816.102. 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 for purposes of this chapter to be a local government corporation created under 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, for the same term as, and on the conditions of the board of directors of a local government corporation created under Chapter 431, Transportation Code.

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

Sec. 3816.103. AGREEMENTS; GRANTS; DONATIONS. (a) The district may enter into an agreement with or accept a donation, grant, or loan from any person.

(b) A municipality, county, or other political subdivision of this state, without further authorization, may contract with the district for:

(1) the acquisition, construction, improvement, implementation, maintenance, and operation of a district project; or

(2) the provision of a service authorized under this chapter.

(c) A contract under Subsection (b) may:

(1) be for a period and include terms on which the parties agree;

(2) be payable from taxes or any other source of revenue that may be available for that purpose; and

(3) provide terms under which taxes or other revenues collected at a district project or from a person using or purchasing a commodity or service at a district project may be paid or rebated to the district.

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

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

Sec. 3816.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with the City of Frisco for the city to provide law enforcement services in the district for a fee.

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

Sec. 3816.105. COMPETITIVE BIDDING. Section 375.221, Local Government Code, does not apply to a district contract for \$25,000 or less.

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

Sec. 3816.106. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Frisco's governing body:

(1) for the issuance of a bond for each improvement project;

(2) of the plans and specifications of an improvement project financed by the bond; and

(3) of the plans and specifications of a district improvement project related to the use of land owned by the City of Frisco, an easement granted by the City of Frisco, or a right-of-way of a street, road, or highway.

(b) If the district obtains the approval of the City of Frisco's governing body of a capital improvements budget for a

period not to exceed five years, the district may finance the capital improvements and issue bonds specified in the budget without the further approval of the city.

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

Sec. 3816.107. ANNEXATION. In addition to the authority to annex territory under Subchapter C, Chapter 375, Local Government Code, the district has the authority to annex territory located in a reinvestment zone created by the City of Frisco under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

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

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3816.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by:

(1) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Collin County; or

(2) at least 25 owners of land in the district, if more than 25 persons own property in the district according to the most recent certified property tax appraisal roll for Collin County.

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

Sec. 3816.152. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

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

Sec. 3816.153. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. The district may impose an ad valorem tax, assessment, or impact fee as provided by Chapter 375, Local Government Code, on all property in the district, including

industrial, commercial, or residential property, and may impose an assessment on municipal property in the district to:

(1) finance or provide an improvement or service for a project or activity this chapter authorizes the district to construct, acquire, or improve; or

(2) provide or to make a payment under a contract.

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

Sec. 3816.154. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section [3816.159](#), the district may impose an annual ad valorem tax on taxable property in the district to:

(1) maintain and operate the district and the improvements constructed or acquired by the district; or

(2) provide a service.

(b) The board shall determine the tax rate.

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

Sec. 3816.155. CONTRACTS SECURED BY AD VALOREM TAXES. A contract for which the payments are secured wholly or partly by ad valorem taxes may not be executed unless the imposition of the ad valorem taxes to secure the payment of the contract is approved by a majority, or a larger percentage if constitutionally required, of the voters in the district voting at an election held for that purpose.

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

Sec. 3816.156. ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.

(b) The district may impose an assessment against any property of the City of Frisco in the district. Payment of an assessment by another exempt jurisdiction must be established by contract.

(c) The board may apportion the cost of an improvement project or service to be assessed against property in the district on all property in the district according to a finding of the board

that the improvement project or service benefits all property in the district.

(d) The board may include two or more types of improvements and services in one assessment proceeding. The board may conduct separate assessment proceedings as the district undertakes improvement projects or the provision of services.

(e) The board may adjust annual assessments for services in accordance with an annual budget the board adopts for the provision of those services. An annual adjustment may not exceed the annual amount set forth in the original assessment proceedings except after public notice and hearing on the increase.

(f) The board, after notice and hearing as provided by Subchapter F, Chapter 375, Local Government Code, may:

(1) correct, add to, or delete assessments from its assessment rolls; and

(2) collect assessments after making the corrections, additions, or deletions.

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

Sec. 3816.157. LIENS FOR ASSESSMENTS. (a) An assessment, including an assessment resulting from an addition to or correction of the assessment roll by the district, a reassessment, 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 proceeding.

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

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

Sec. 3816.158. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property of a person that provides gas, electricity, telephone, sewage, or water service to the public.

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

Sec. 3816.159. ELECTIONS REGARDING TAXES OR BONDS. (a) In addition to the elections required under Subchapter L, Chapter 375, Local Government Code, the district must hold an election in the manner provided by that subchapter to obtain voter approval before the district may:

- (1) impose a maintenance tax; or
- (2) issue a bond payable from ad valorem taxes or assessments.

(b) The board may include more than one purpose in a single proposition at an election.

(c) If the district obtains the written consent of all property owners in the district to impose a maintenance tax or issue bonds payable from ad valorem taxes or assessments, the district is exempt from the election requirement under Subsection (a) and may cancel an election called under Subsection (a).

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

Sec. 3816.160. MUNICIPALITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, a municipality is not required to pay a bond, note, or other obligation of the district.

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

SUBCHAPTER E. DISSOLUTION

Sec. 3816.201. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The board may dissolve the district regardless of whether the district has debt. Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

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