SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT CHAPTER 3817. EAST ALDINE MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3817.001. DEFINITIONS. In this chapter:

- (1) "Board" means the board of directors of the district.
- (2) "District" means the East Aldine Management District.

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

Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 2, eff. June 18, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 2, eff. June 17, 2011.

Sec. 3817.002. EAST ALDINE MANAGEMENT DISTRICT. The East Aldine 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. Amended by:

Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 3, eff. June 18, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 3, eff. June 17, 2011.

Sec. 3817.003. 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, and the public welfare in the Aldine Community area of Harris County.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County from providing the level of services provided as of June 17, 2001, to the area in the district or to release the county from the obligations of the county to provide services to that area. The district is created to supplement and not to supplant the county services provided in the area in the district.

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

Sec. 3817.004. 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) The district will:
- (1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;
- (2) provide needed funding for the Aldine Community area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business center; and
- (3) 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) Pedestrian ways along or across a street, whether 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.

(f) 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. 3817.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 1, Chapter 1433, 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 3817.106 or its predecessor statute, former Section 376.476, Local Government Code, as added by Section 1, Chapter 1433, 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 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. Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 4, eff. June 17, 2011.

Sec. 3817.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

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

Sec. 3817.007. 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. 3817.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine directors who serve staggered terms of four years with four or five directors' terms expiring June 1 of each odd-numbered year.

- (b) One director must be a resident of the district.
- (c) The board by resolution may change the number of directors on the board, but only if the board determines that the change is in the best interest of the district, subject to Section 375.061, Local Government Code.

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

Sec. 3817.052. APPOINTMENT AND REMOVAL OF DIRECTORS. Sections 375.064 and 375.065, Local Government Code, govern the appointment and removal of directors, except that the commissioners court of Harris County shall appoint the directors of the board. The commissioners court shall appoint:

- (1) two directors to be chosen by the commissioners court with terms beginning on June 1, 2005, or the effective date of this Act; and
- (2) the remaining directors from a list of persons nominated by the board, subject to review, and the commissioners court shall approve or disapprove the directors recommended by the board.

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

Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 4, eff. June 18, 2005.

Sec. 3817.053. QUORUM. (a) Section 375.071, Local Government Code, does not apply to the district.

- (b) One-half of the board constitutes a quorum.
- (c) Except as provided by Section 3817.152, a concurrence of a majority of a quorum is required for any official district action. Acts 2003, 78th Leg., ch. 1277, Sec. 1, eff. April 1, 2005.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3817.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, 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. 3.46, eff. April 1, 2009.

Sec. 3817.102. 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 same conditions as 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. 3817.103. CONTRACT WITH POLITICAL SUBDIVISION. Harris County, the City of Houston, or another political subdivision of

this state, without further authorization, may contract with the district to implement a project of the district or assist the district in providing a service authorized under this chapter. A contract under this section may:

- (1) be for a period on which the parties agree;
- (2) include terms on which the parties agree;
- (3) be payable from taxes or any other source of revenue that may be available for that project or service; and
- (4) provide terms under which taxes or other revenue 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.

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

Sec. 3817.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Harris County or the City of Houston for the county or 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. 3817.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), by either official action of the governing body of the city with respect to Subdivision (1) or through the issuance of a permit with respect to Subdivisions (2) and (3), the district must obtain the approval of the City of Houston:

- (1) for the issuance of a bond for each improvement
 project;
- (2) of the plans and specifications of the improvement project financed by the bond; and
- (3) of the plans and specifications of any district improvement project related to the use of land owned by Harris County, an easement granted by Harris County, or a right-of-way of a street, road, or highway.
- (b) If the district obtains the approval of the City of Houston'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 further approval from the City of Houston.

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

Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 7, eff. June 18, 2005.

Sec. 3817.106. ANNEXATION OF CERTAIN TERRITORY BY GOVERNING BODY OF MUNICIPALITY. (a) If territory in the City of Houston's limit or extraterritorial jurisdiction is included in the district, the city's governing body may remove that territory from the district if the district does not have any bonded indebtedness.

- (b) To remove the territory, the governing body of the City of Houston must notify the board secretary in writing that the territory is excluded from the district's territory.
- (c) If a municipality annexes territory that is in its extraterritorial jurisdiction and included in the district, the governing body of the municipality shall notify the board secretary in writing that the annexed territory is excluded from the district's territory.

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

Sec. 3817.107. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 684 (S.B. 224), Sec. 15, eff. June 17, 2005.

SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3817.151. 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. 3817.152. BOARD VOTE REQUIRED TO AUTHORIZE TAXES, ASSESSMENTS, IMPACT FEES, OR BONDS. (a) A majority vote of the

directors serving is required to authorize the imposition of a tax, assessment, or impact fee.

(b) The written consent of at least two-thirds of the full membership of the board is required to authorize the issuance of a bond.

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

Sec. 3817.153. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3817.157, the district may impose an annual ad valorem tax on taxable property in the district to:

- (1) maintain and operate the district;
- (2) construct or acquire improvements; or
- (3) provide a service.
- (b) The board shall determine the tax rate.

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

Sec. 3817.154. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election called for that purpose. Revenue from the tax may be used for any purpose for which revenue of the district may be used.

- (b) The district may not adopt a sales and use tax if as a result of the adoption of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district.
- (c) If the voters of the district approve the adoption of the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.
 - (d) Chapter 321, Tax Code, applies to the imposition,

computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

- (e) The board may establish one or more areas in the district as a special sales and use tax zone if the board finds that a reasonable distinction exists that justifies a special sales and use tax rate in the area. The special sales and use tax rate may be different than the sales and use tax rate imposed in the rest of the district if the special sales and use tax rate is approved by a majority of the voters of the special sales and use tax zone at an election held for that purpose. Subsections (b)-(d) apply to a special sales and use tax imposed under this subsection in the same manner as the sales and use tax imposed under Subsection (a).
- (f) There are exempted from a special sales and use tax imposed by the district under Subsection (e) the sale, production, distribution, lease, or rental of, and the use, storage, or other consumption within a special sales and use tax zone of, a taxable item sold, leased, or rented by:
- (1) a retail electric provider as defined by Section
 31.002, Utilities Code;
- (2) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;
- (3) a gas utility as defined by Section 101.003 or 121.001, Utilities Code, or a person who owns pipelines used for the transportation or sale of oil or gas or a product or constituent of oil or gas;
- (4) a person who owns pipelines used for the transportation or sale of carbon dioxide;
- (5) a telecommunications provider as defined by Section 51.002, Utilities Code; or
- (6) a cable service provider or video service provider as defined by Section 66.002, Utilities Code.

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

Acts 2005, 79th Leg., Ch. 728 (H.B. 2018), Sec. 18.005(a), eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1260 (S.B. 900), Sec. 5, eff.

June 17, 2011.

Sec. 3817.1545. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

- (b) The petition must be signed by:
- (1) the owners of 50 percent or more of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for Harris County; or
- (2) the owners of 50 percent or more of the surface area of real property in the district subject to assessment.
- (c) Section 375.114, Local Government Code, does not apply to the district.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 5, eff. June 18, 2005.

- Sec. 3817.155. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter.
- (b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:
- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
- (3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.
- (c) 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. 3817.156. PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. (a) In this section:

- (1) "Electric utility" and "power generation company" have the meanings assigned by Section 31.002, Utilities Code.
- (2) "Gas utility" has the meaning assigned by Sections 101.003 and 121.001, Utilities Code.
- (3) "Telecommunications provider" has the meaning assigned by Section 51.002, Utilities Code.
- (b) The district may not impose an impact fee or assessment under Chapter 375, Local Government Code, on a residential property, including a multiunit residential property, or a condominium.
- (c) The district may not impose an impact fee or assessment on the property of an electric utility, gas utility, power generation company, or telecommunications provider.

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

Sec. 3817.157. 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.

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

Sec. 3817.158. 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.

- Sec. 3817.159. POWERS OF MUNICIPAL UTILITY DISTRICT; DEFINED AREA; TAXES; BONDS. The district may not exercise the powers of eminent domain but shall have all the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including:
- (1) the implementation of a plan adopted under that subchapter;
 - (2) the issuance of bonds; and
- (3) the imposition of a tax in the defined area established under that subchapter.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 6, eff. June 18, 2005.

Sec. 3817.160. TAX INCREMENT ZONE POWERS. Upon the consent of the governing body of the City of Houston, the district may be included and participate in a reinvestment zone under Chapter 311, Tax Code.

Added by Acts 2005, 79th Leg., Ch. 1174 (H.B. 3550), Sec. 6, eff. June 18, 2005.

SUBCHAPTER E. DISSOLUTION

Sec. 3817.201. 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.