

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 4. DEVELOPMENT AND IMPROVEMENT
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT
CHAPTER 3818. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3818.001. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "District" means the Harris County Improvement District No. 1.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.002. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 1. A special district known as the "Harris County Improvement District No. 1" is a political subdivision of this state created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 1, eff. June 19, 2009.

Sec. 3818.003. PURPOSE; DECLARATION OF INTENT. The creation of the district is essential to accomplish the purposes of Section [52](#), Article III, and Section [59](#), Article XVI, Texas Constitution, and other public purposes as provided by this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. [3818.004](#). FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit. Each

improvement project or service authorized by this chapter carries out a public purpose.

(b) All land and other property included in the district will benefit from the works and projects that are to be accomplished by the district under powers conferred by Section 52, Article III, and Section 59, Article XVI, Texas Constitution, Vernon's Texas Civil Statutes, and other powers granted under this chapter.

(c) The creation of the district is essential to:

- (1) the economic diversification of the state;
- (2) the elimination of unemployment and underemployment; and
- (3) the stimulation of transportation and commerce.

(d) The creation of the district is in the public interest and will promote the health, safety, and general welfare of its residents and the public.

(e) The present and prospective traffic congestion in the district, the safety of pedestrians, and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems by new and alternative means. The district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems.

(f) The district will promote the health, safety, welfare, morals, convenience, and enjoyment of the public by landscaping and developing certain areas in the district that are necessary for the restoration, preservation, and enhancement of scenic and aesthetic beauty.

(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.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, as that

territory may have been modified under:

- (1) Section 3818.106, or its predecessor, Section 13, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987;
- (2) Subchapter J, Chapter 49, Water Code; or
- (3) other law.

(b) The boundaries and field notes of the district contained in Section 3, Chapter 1026, Acts of the 70th Legislature, Regular Session, 1987, form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect:

- (1) the organization, existence, or validity of the district;
- (2) the right of the district to issue any type of bond, including a refunding bond, for a purpose for which the district is created or to pay the principal of and interest on a bond;
- (3) the right of the district to impose an assessment or a tax; or
- (4) the legality or operation of the district or the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.006. APPLICABILITY OF OTHER LAW. Except as otherwise provided, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformance with the legislative findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3818.051. COMPOSITION; TERMS. (a) The district is governed by a board of 12 directors.

(b) The commission appoints the directors to positions numbered 1 through 12.

(c) Directors serve staggered four-year terms.

(d) The commission shall appoint directors from persons recommended by the board.

(e) 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. The board may not consist of fewer than 9 or more than 15 directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 2, eff. June 19, 2009.

Sec. 3818.052. QUALIFICATIONS FOR OFFICE. (a) A director must meet the requirements provided by Section 375.063, Local Government Code.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(1), eff. June 19, 2009.

(c) A person who owns a partnership interest, whether general or limited, or who has a lease with a remaining term of 30 years or more, excluding options, is considered to be an owner of land for purposes of this chapter.

(d) A person who qualifies to serve on the board is qualified to serve as a director and participate in all votes pertaining to the business of the district.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 3, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 11(1), eff. June 19, 2009.

Sec. 3818.054. VACANCY. The board by appointment shall fill a vacancy on the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 4, eff. June 19, 2009.

Sec. 3818.055. REMOVAL OF DIRECTOR. The commission may remove a director for misconduct or failure to carry out the director's duties after a petition by a majority of the other directors.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3818.101. 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 Subchapter D, 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.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.102. AGREEMENTS; GRANTS. (a) The district may

make a contract, lease, or other agreement with, or accept a grant or loan from, any person to carry out a purpose of this chapter on the terms and conditions and for the period of time determined by the board.

(b) A person may contract with the district to carry out the purposes of this chapter.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.103. USE OF CONDUITS. (a) The district may:

(1) finance, acquire, construct, improve, operate, maintain, or charge a fee for the use of its own conduits for fiber-optic cable, electronic transmission lines, or other types of transmission lines and supporting facilities; or

(2) finance, acquire, construct, improve, operate, or maintain conference centers and supporting facilities.

(b) This section does not authorize the district to require a person to use a conduit authorized by this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.104. REGULATION OF SIGNS. The board by rule may regulate signs in the district. The board may require the removal of a sign that does not conform to a rule adopted under this section.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.105. EXCLUSION OF TERRITORY; HEARING. (a) At any time, the board may on its own motion call a hearing on the question of the exclusion of land from the district as provided by Chapter 49, Water Code, if the exclusion is practicable, just, or desirable.

(b) The board shall call a hearing on the exclusion of land or other property from the district if, before the issuance of bonds has been authorized, a property owner in the district files a written petition with the secretary of the board.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.106. ANNEXATION. (a) Subject to the approval of the governing body of the City of Houston the district may:

(1) annex territory in accordance with Subchapter J, Chapter 49, Water Code; or

(2) annex territory located inside the boundaries of a reinvestment zone created under Chapter 311, Tax Code, as those boundaries existed on September 1, 2001.

(b) The district may annex territory described by Subsection (a)(2) only if:

(1) the district holds a public hearing on the proposed annexation and publishes notice in the district not later than the 15th day before the date of the hearing; and

(2) a majority of the qualified voters of the territory that the district proposes to annex voting at an election held within that territory approve:

(A) the annexation;

(B) the assumption of the bonds, notes, obligations, taxes, and special assessments created before the annexation of the area to the district; and

(C) the assumption of the bonds of the district payable wholly or partly from taxes or special assessments that have been voted previously but not yet issued or sold and the imposition of an ad valorem tax or special assessment on all taxable property within the annexed area for the payment of the bonds.

(c) If the voters approve each proposition under Subsection (b)(2), the board may adopt an order adding the annexed territory to the district.

(d) An election under Subsection (b) must be held and notice must be given in the territory that the district proposes to annex in the same manner as provided for a bond election held by the district. The district may hold an election to annex territory on the same day as another district election.

(e) The board may:

(1) call an election to annex territory by a separate

election order or as a part of another election order;

(2) submit multiple purposes in a single proposition at an election; or

(3) order multiple elections to annex the same territory.

(f) The district may annex defined areas of land, regardless of whether the areas are contiguous to the district.

(g) An annexed area shall bear that area's pro rata share of all bonds, notes, or other obligations, taxes, or special assessments that may be owed, contracted for, or authorized by the district.

(h) The election, notice, and hearing requirements imposed by Subsections (b)-(g) do not apply to an annexation under Subsection (a)(1).

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.107. DATE OF ELECTIONS. An election held in the district is not required to be held on a uniform election date provided by Section 41.001, Election Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.108. APPROVAL OF CERTAIN IMPROVEMENT PROJECTS. The district must obtain approval from the governing body of the City of Houston and the department of planning of the City of Houston of the plans and specifications of any improvement project that involves the use of a right-of-way of a street, road, or highway or the use of municipal land.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.110. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a qualified party, including Harris County, the City of Houston, or any licensed peace officer, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 5, eff. June 19, 2009.

Sec. 3818.111. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 5, eff. June 19, 2009.

Sec. 3818.112. ECONOMIC DEVELOPMENT PROGRAMS. (a) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

- (1) make loans and grants of public money; and
- (2) provide district personnel and services.

(b) The district has all of the powers of a municipality under Chapter [380](#), Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 5, eff. June 19, 2009.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3818.151. PUBLIC TRANSIT SYSTEM; PETITION REQUIRED.

(a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area within the boundaries of the district.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(3), eff. June 19, 2009.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 11(3), eff. June 19, 2009.

Sec. 3818.152. PARKING FACILITIES AUTHORIZED; OPERATION BY PRIVATE ENTITY; TAX EXEMPTION. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including:

(1) lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets; and

(2) equipment, entrances, exits, fencing, and other accessories necessary for safety and convenience in parking vehicles.

(b) A parking facility of the district must be leased to or operated for the district by an entity other than the district.

(c) The district's parking facilities serve a public purpose under Section [3818.003](#) and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(d) The district's public parking facilities and any lease to a private entity are exempt from the payment of ad valorem taxes and state and local sales and use taxes.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. [3818.153](#). RULES FOR TRANSIT OR PARKING SYSTEM. (a) The district may adopt rules covering its public transit system and its public parking system.

(b) Rules adopted under this section that relate to or affect the use of the public right-of-way or a requirement for off-street parking are subject to all applicable municipal charter, code, and ordinance requirements.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. [3818.154](#). PAYING COST OF PUBLIC TRANSIT SYSTEM OR

PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, and grant or contract proceeds, to pay the cost of acquiring or operating a public transit system or a system of public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the public transit system or the public parking facilities; and

(2) issue bonds or notes to finance the cost of these facilities.

(c) If the district pays for or finances the cost of acquiring and operating a public transit system or a system of public parking facilities with resources other than assessments, a petition of property owners or public hearing is not required, just as a petition of property owners and public hearing on the petition are not required for the provision of all other district services and improvements that are not paid for or financed with assessments. Notwithstanding this subsection, a petition is required as provided by Section [3818.151](#) before the district may construct transit improvements.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.155. PAYMENT INSTEAD OF TAXES TO OTHER TAXING UNITS. If the district's acquisition of property for a parking facility that is leased to or operated by a private entity results in removing from a taxing unit's tax rolls real property otherwise subject to ad valorem taxation, the district shall pay to the taxing unit in which the property is located, on or before January 1 of each year, as a payment instead of taxes, an amount equal to the ad valorem taxes that otherwise would have been imposed for the preceding tax year on that real property by the taxing unit, without including the value of any improvements constructed on the property.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3818.201. NOTICE AND HEARING REQUIRED. The board may finance a service or improvement project under this chapter with assessments after:

(1) notice of a hearing has been given as required by Section 3818.202; and

(2) the board holds a public hearing on the advisability of the service or improvement and the proposed assessments.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 6, eff. June 19, 2009.

Sec. 3818.202. NOTICE OF HEARING. (a) Except as provided by this section, notice of a hearing on financing improvement projects or services shall be given as provided by Section 375.115, Local Government Code.

(b) The final publication must be made:

(1) not later than the 15th day before the date of the hearing; and

(2) in a newspaper of general circulation in each county in which the district is located.

(c) Written notice required by Section 375.115(c), Local Government Code, must be made not later than the 15th day before the date of the hearing.

(d) The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 7, eff. June 19, 2009.

Sec. 3818.203. HEARING PROCEDURE. (a) The board may appoint a director, a district employee, or any other person as hearings examiner to conduct hearings required by the board.

(b) A hearing under this subchapter shall be conducted in the manner provided for contested cases under Chapter 2001, Government Code.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.204. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENT PROJECTS. (a) The board may not finance a service or improvement project under this chapter with assessments 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 of the assessed value of the property in the district subject to assessment based on the most recent certified county tax appraisal roll; or

(2) the owners of 50 percent or more of the surface area of the district subject to assessment, excluding roads, streets, highways, and utility rights-of-way, based on the most recent certified county tax appraisal roll.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 8, eff. June 19, 2009.

Sec. 3818.205. AUTHORITY TO IMPOSE AD VALOREM TAXES, ASSESSMENTS, AND IMPACT FEES. (a) The district may impose an ad valorem tax, assessment, or impact fee in accordance with Chapter 375, Local Government Code, to provide an improvement or service for a project or activity the district may acquire, construct, improve, or provide under this chapter.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 889, Sec. 11(4), eff. June 19, 2009.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 9, eff. June 19, 2009.

Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 11(4), eff. June 19, 2009.

Sec. 3818.206. UTILITY PROPERTY EXEMPT FROM ASSESSMENTS AND IMPACT FEES. The district may not impose an assessment or impact fee on the property, including the equipment, rights-of-way, facilities, or improvements of:

(1) an electric utility or a power generation company as defined by Section 31.002, Utilities Code;

(2) a gas utility as defined by Section 101.003 or 121.001, Utilities Code;

(3) a telecommunications provider as defined by Section 51.002, Utilities Code; or

(4) a cable system as defined by Section 602, Communications Act of 1934 (47 U.S.C. Section 522), as amended.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.207. BONDS; APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the director of public works of the City of Houston for the issuance of bonds for any improvement project.

(b) If the district obtains approval from the governing body of the City of Houston 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.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. 2019), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.209. ASSESSMENTS AND BOND LIMIT. The board may not issue bonds or impose assessments that exceed 10 percent of the

assessed value of the property in the district based on the most recent certified county tax appraisal roll.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.210. APPEAL OF ASSESSMENT. A property owner may appeal the board's decision on an assessment to a district court that has jurisdiction in the district by filing notice of the appeal with the court not later than the 30th day after the date of the board's final decision.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.211. PAYMENT BY EXEMPT JURISDICTIONS. Payment of assessments by exempt jurisdictions, if any, shall be established by contract.

Added by Acts 2005, 79th Leg., Ch. 729 (H.B. [2019](#)), Sec. 1.03, eff. April 1, 2007.

Sec. 3818.212. 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 10, eff. June 19, 2009.

Sec. 3818.213. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter [375](#), Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 10, eff. June 19, 2009.

Sec. 3818.214. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section [3818.217](#), the district may impose an operation and maintenance tax on taxable

property in the district in accordance with Section [49.107](#), Water Code, for any district purpose, including 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. The rate may not exceed the rate approved at the election.

(c) Section [49.107](#)(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 10, eff. June 19, 2009.

Sec. 3818.215. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.

(a) The district may borrow money on terms and conditions as determined by the board. Section [375.205](#), Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue by competitive bid or negotiated sale bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section [49.4645](#), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 10, eff. June 19, 2009.

Sec. 3818.216. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to the rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections [54.601](#) and [54.602](#), Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. [2552](#)), Sec. 10, eff. June 19, 2009.

Sec. 3818.217. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) Section 375.243, Local Government Code, does not apply to the district.

(d) All or part of any facilities or improvements that the district may acquire by the issuance of district bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.218. COMPETITIVE BIDDING. Subchapter I, Chapter 49, Water Code, applies to the district. Sections 375.221 and 375.223, Local Government Code, do not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

Sec. 3818.219. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner authorized by Chapter 312, Tax Code, an abatement for a tax or assessment owed to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 889 (S.B. 2552), Sec. 10, eff. June 19, 2009.

SUBCHAPTER F. DISSOLUTION