

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3850. GREATER SHARPSTOWN MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3850.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Greater Sharpstown Management District.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.002. GREATER SHARPSTOWN MANAGEMENT DISTRICT. The Greater Sharpstown Management District is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.003. 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 the City of Houston, Harris County, 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 district and adjacent areas.

(c) This chapter and the creation of the district may not be interpreted to relieve Harris County or the City of Houston from

providing the level of services provided as of the effective date of this Act, to the area in the district. The district is created to supplement and not to supplant the county or municipal services provided in the area in the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.

Sec. 3850.004. 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, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory 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.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.005. PARKING. A parking improvement is considered to be a street or road improvement.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.006. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under:

- (1) Subchapter J, Chapter 49, Water Code; or
- (2) other law.

(b) The boundaries and field notes of the district contained in Section 2 of the Act enacting this chapter 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.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.007. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

- (1) a tax increment reinvestment zone created by a municipality under Chapter 311, Tax Code;
- (2) a tax abatement reinvestment zone created by a municipality under Chapter 312, Tax Code; or
- (3) an enterprise zone created by a municipality under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.009. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3850.051. BOARD OF DIRECTORS; TERMS. (a) The district is governed by a board of nine voting directors who serve staggered terms of four years, with four or five directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting 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 five or more than 15 voting directors.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the City of Houston shall appoint voting directors from persons recommended by the board. A person is appointed if a majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.053. NONVOTING DIRECTORS. (a) The following

persons serve as nonvoting directors:

(1) the directors of the following departments of the City of Houston or a person designated by that director:

- (A) parks and recreation;
- (B) planning and development;
- (C) public works; and
- (D) civic center; and

(2) the City of Houston's chief of police.

(b) If a department described by Subsection (a) is consolidated, renamed, or changed, the board may appoint a director of the consolidated, renamed, or changed department as a nonvoting director. If a department described by Subsection (a) is abolished, the board may appoint a representative of another department that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.054. QUORUM. For purposes of determining whether a quorum of the board is present, the following are not counted:

- (1) a board position vacant for any reason, including death, resignation, or disqualification;
- (2) a director who is abstaining from participation in a vote because of a conflict of interest; or
- (3) a nonvoting director.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3850.101. EXERCISE OF POWERS OF DEVELOPMENT CORPORATION. The district may exercise the powers of a corporation created under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain projects described by that chapter.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.66, eff. April 1, 2009.

Sec. 3850.102. 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 the board of directors of a local government corporation created under Chapter [431](#), Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.

Sec. 3850.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

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

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.

Sec. 3850.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with a law enforcement services provider, including Harris County or the City of Houston, to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.105. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (c), the district must obtain the approval of the City of Houston's governing body for:

- (1) the issuance of bonds for an improvement project;
- (2) the plans and specifications of an improvement project financed by the bonds; and
- (3) the plans and specifications of an improvement project related to the use of land owned by the City of Houston, an easement granted by the City of Houston, or a right-of-way of a street, road, or highway.

(b) The approval obtained under Subsection (a) for the issuance of bonds must be a resolution by the City of Houston. The approval obtained under Subsection (a) for plans and specifications must be a permit issued by the City of Houston.

(c) 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.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.106. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

- (1) enjoys tax-exempt status under Section 501(c)(3), (4), or (6), Internal Revenue Code of 1986; and
- (2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.107. ECONOMIC DEVELOPMENT PROGRAMS AND OTHER POWERS RELATED TO PLANNING AND DEVELOPMENT. (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 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3850.151. 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.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.152. 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 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.153. 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) A petition requesting a project financed by assessment must be signed by:

(1) the owners of a majority 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) at least 50 owners of real property in the district, if more than 50 persons own real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.154. METHOD OF NOTICE FOR HEARING. (a) 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 type of notice required based on whether adequate notice is provided by the method.

(b) If the district uses first class mail to provide the notice, the district must also publish the notice in a newspaper of general circulation in the district not later than the 20th day before the date of the event for which notice was provided.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.155. 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.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.156. LIMITATION ON AMOUNT OF CERTAIN ASSESSMENTS. An assessment based on the taxable value of real property may not exceed 12 cents per \$100 of assessed valuation of taxable property in the district, according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.157. PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS. An assessment levied in the district for a public improvement district under Subchapter A, Chapter 372, Local Government Code, or Chapter 382, Local Government Code, may be used only under the terms for which the assessment was levied. Money raised by an assessment in the public improvement district under that chapter must be used in the public improvement district, and may not be transferred for use outside the area for which the assessment was originally levied.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.043, eff. September 1, 2009.

Sec. 3850.158. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND

ASSESSMENTS. The district may not impose an impact fee or assessment 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 person who provides to the public cable television or advanced telecommunications services.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.159. AD VALOREM TAX. (a) If authorized at an election held in accordance with Section 3850.162, 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. The rate may not exceed the rate approved at the election.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.160. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized purpose of the district.

(b) The district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.161. TAXES FOR BONDS AND OTHER OBLIGATIONS. At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose the continuing direct ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.162. TAX AND BOND ELECTIONS. (a) The district shall hold an election in the manner provided by Subchapter L, Chapter 375, Local Government Code, to obtain voter approval before the district imposes an ad valorem tax or issues bonds payable from ad valorem taxes. The proposition for an election approving an ad valorem tax must specify the maximum tax rate authorized.

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

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.163. CITY OF HOUSTON NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the City of Houston is not required to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. 3526), Sec. 1, eff. June 17, 2005.

Sec. 3850.164. COMPETITIVE BIDDING. Section [375.221](#), Local Government Code, applies to the district only for a contract that has a value greater than \$25,000.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.

Sec. 3850.165. 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 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER E. DISSOLUTION

Sec. 3850.201. 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.

Added by Acts 2005, 79th Leg., Ch. 771 (H.B. [3526](#)), Sec. 1, eff. June 17, 2005.