

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3852. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3852.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Pflugerville Municipal Management District No. 1.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.002. PFLUGERVILLE MUNICIPAL MANAGEMENT DISTRICT NO. 1. The Pflugerville Municipal Management District No. 1 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.003. 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 Travis County, the City of Pflugerville, 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.

(c) This chapter and the creation of the district may not be

interpreted to relieve Travis County or the City of Pflugerville from providing the level of services provided as of September 1, 2005, to the area in the district or to release the county or the city from the obligations of each entity to provide services to that area. The district is created to supplement and not to supplant the county or city services provided in the area in the district. Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.004. 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 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 and aesthetic beauty.

(e) Hike and bike trails, 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 in accordance with Section 52, Article III, Texas Constitution.

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

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.005. 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) Section 3852.110;
- (2) Subchapter J, Chapter 49, Water Code; or
- (3) 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 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. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.006. 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 the City of Pflugerville under Chapter 311, Tax Code;
- (2) a tax abatement reinvestment zone created by the City of Pflugerville under Chapter 312, Tax Code; or
- (3) an enterprise zone created by the City of Pflugerville under Chapter 2303, Government Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.007. 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. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.008. 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. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3852.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.052. COMPENSATION. A director is entitled to compensation as provided by Section 49.060, Water Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.053. ADDITIONAL QUALIFICATIONS. (a) A person is eligible for appointment to the board if:

(1) the person:

(A) owns land in the City of Pflugerville subject to taxation; or

(B) is registered to vote in the City of Pflugerville; and

(2) the appointment of the person under this section does not result in more than two directors who were eligible solely

under this section and not Section 375.063, Local Government Code.

(b) Section 375.063, Local Government Code, does not apply to a director appointed under Subsection (a).

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.054. APPOINTMENT OF DIRECTORS. (a) The mayor and members of the governing body of the City of Pflugerville shall appoint directors from persons recommended by the board. A person is appointed if a majority of the members and the mayor vote to appoint the person.

(b) A person may not be appointed to the board if the appointment of that person would result in fewer than two-thirds of the directors residing in the City of Pflugerville.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.055. NONVOTING DIRECTORS. (a) The following persons serve as nonvoting directors:

(1) the directors of the parks and recreation, planning and development, and public works departments of the City of Pflugerville;

(2) the chief of police of the City of Pflugerville;

(3) the executive director of any development corporation in the City of Pflugerville;

(4) the president of each institution of higher learning located in the district; and

(5) the fire chief of any emergency services district in the City of Pflugerville.

(b) If a city 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 city department described by Subsection (a) is abolished, the board may appoint a representative of another department of the City of Pflugerville that performs duties comparable to those performed by the abolished department.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff.

June 17, 2005.

Sec. 3852.056. CONFLICTS OF INTEREST. (a) Except as provided by 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 directors.

(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; or

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

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

(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.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3852.101. ADDITIONAL DISTRICT POWERS. The district may exercise the powers given to a corporation created under Chapter 504 or 505, Local Government Code.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff.

June 17, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 3.67, eff. April 1, 2009.

Sec. 3852.102. EXERCISE OF POWERS OUTSIDE DISTRICT. The district may exercise its powers in an area outside the district if the board determines that exercising those powers benefits the district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.103. 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.

(d) 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.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.104. RECLAMATION PROJECT. The district may own, operate, or maintain a reclamation project.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.105. 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, or a nonprofit corporation, 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.

(e) To the extent of any conflict between this section and any other law, including a charter of a home-rule municipality, this section controls.

(f) The district, the City of Pflugerville, Travis County, or another political subdivision may use another law to the extent convenient or necessary to carry out any power or authority, express or implied, granted by this section.

(g) This section is wholly sufficient authority for the execution of a contract, the imposition and pledging of taxes and revenues to the contract, and the performance of other acts and procedures authorized by this section, or by the district, the City of Pflugerville, Travis County, and any other political subdivision without reference to any other provision of law or any restriction or limitation contained in those provisions, except as specifically provided by this section.



Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.106. 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. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.107. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT. To protect the public interest, the district may contract with Travis County or the City of Pflugerville for the county or city to provide law enforcement services in the district for a fee.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.108. COMPETITIVE BIDDING. Section [375.221](#), Local Government Code, does not apply to a district contract for \$25,000 or less.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.109. APPROVAL BY CITY OF PFLUGERVILLE. (a) Except as provided by Subsection (b), the district must obtain approval from the City of Pflugerville's governing body:

- (1) for the issuance of a bond other than a refunding bond;
- (2) of the plans and specifications of a project to be financed by the bond; and
- (3) of the plans and specifications of any district

project related to the use of land owned by the City of Pflugerville, an easement granted by the City of Pflugerville, or a right-of-way of a street, road, or highway.

(b) If the district obtains approval from the City of Pflugerville's governing body of a capital improvements budget for a period not to exceed five years, the district may finance the projects and issue bonds specified in the budget without further approval from the City of Pflugerville.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.110. ANNEXATION. In addition to the authority to annex territory under Subchapter J, Chapter 49, Water Code, the district may annex territory located in a reinvestment zone created by the City of Pflugerville under Chapter 311, Tax Code, if the city's governing body consents to the annexation.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER D. FINANCIAL PROVISIONS

Sec. 3852.151. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (a) The board may not finance a service or an improvement project with assessments under this chapter unless a written petition requesting that service or improvement is filed with the board.

(b) The petition must be signed by the owners of a majority of the assessed value of real property in the area of the district that will be subject to the assessment according to the most recent certified tax appraisal roll for Travis County.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.152. 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.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.153. MAINTENANCE TAX. (a) The district may impose an annual ad valorem tax on taxable property in the district to maintain and operate the district and the improvements and projects constructed or acquired by the district or to provide a service only if:

(1) two-thirds of the directors vote in favor of imposing the tax; and

(2) the tax is authorized at an election held in accordance with Section 3852.156.

(b) The board shall determine the tax rate.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter only if two-thirds of the directors vote in favor of imposing the assessment.

(b) The board may adjust an annual assessment for a service in accordance with an annual budget adopted by the board to provide those services. The annual adjustment may not be more than the original assessment unless the board provides notice and hearing.

(c) An assessment, a reassessment, or an assessment resulting from an addition to, deletion from, 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 proceeding.

(d) 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. Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.155. UTILITY PROPERTY EXEMPT FROM IMPACT FEES AND ASSESSMENTS. The district may not impose an impact fee or assessment on the property of a person who provides to the public gas, electric, telephone, sewage, or water service. Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.156. ELECTIONS REGARDING TAXES OR TAX 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;
- (2) issue a bond payable from ad valorem taxes; or
- (3) secure an agreement wholly or partly from a pledge of ad valorem taxes.

(b) The board may submit multiple purposes in a single proposition at an election.

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

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. 1836), Sec. 1, eff. June 17, 2005.

Sec. 3852.157. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from taxes, assessments, impact fees, revenue, grants, contracts, 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.

(c) The district may issue a bond to refinance a public security issued by the City of Pflugerville or to finance a district project located outside the boundaries of the district if the board finds that the refinancing or project wholly or partly furthers the purposes of and benefits the district.

(d) Sections [375.208](#) and [375.243](#), Local Government Code, do not apply to bonds or other obligations issued under this section solely to pay for a project constructed by the City of Pflugerville and payable wholly or partly from payments made by the City of Pflugerville under an agreement authorized under Section [3852.105](#).

(e) The district may issue bonds in accordance with terms and provisions as determined by the board, including the sale of bonds in a manner and with terms as determined by the board. As provided by Section 3852.007, Sections [375.202](#), [375.203](#), [375.205](#), and [375.206](#), Local Government Code, apply to bonds issued under this section.

(f) A bond issued under this section may be refunded or otherwise refinanced by the issuance of refunding bonds under terms or conditions determined by board order or resolution. A refunding bond may be issued in an amount necessary to pay the principal and any interest and redemption premium of bonds to be refunded, at maturity or on any redemption date, and issued to provide for the payment of costs incurred in connection with the refunding. A refunding bond may be issued in any manner provided by law.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.158. ECONOMIC DEVELOPMENT BONDS. The district may issue bonds for economic development projects in accordance with Section [52-a](#), Article III, Texas Constitution.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

Sec. 3852.159. MUNICIPALITY NOT OBLIGATED TO PAY DISTRICT

OBLIGATIONS. Except as provided by Sections [3852.105](#) and [3852.157](#) of this code and Section [375.263](#), Local Government Code, a municipality is not obligated to pay a bond, note, or other obligation of the district.

Added by Acts 2005, 79th Leg., Ch. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.

#### SUBCHAPTER E. DISSOLUTION

Sec. 3852.201. 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. 447 (S.B. [1836](#)), Sec. 1, eff. June 17, 2005.