

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3860. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 10

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3860.001. DEFINITIONS. In this chapter:

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

(2) "District" means the Harris County Improvement District No. 10.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.002. NATURE OF DISTRICT. The district is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.003. 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 Harris County, the City of Houston, the Metropolitan Transit Authority of 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, parking, housing, recreation, the arts, safety, and the public welfare in the area of the district.

(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 September 1, 2007, to the area in the district. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.004. 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) Each improvement project or service authorized by this chapter is essential to carry out a public purpose.

(d) 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.

(e) The district will:

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

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the area as a residential neighborhood and a commercially viable area;

(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;

(4) promote and benefit commercial development and commercial areas in the district; and

(5) promote and develop public transportation and

pedestrian facilities and systems using new and alternative means that are attractive, safe, and convenient, including securing expanded and improved transportation and pedestrian facilities and systems, to:

(A) address the problem of traffic congestion in the district, the need to control traffic and improve pedestrian safety, and the limited availability of money; and

(B) benefit the land and other property in the district and the residents, employers, employees, visitors, and consumers in the district and the public.

(f) 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.

(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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.005. 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) Subchapter [J](#), Chapter [49](#), Water Code;
- (2) Section [3860.111](#); 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 in any way affect:

- (1) the district's organization, existence, and validity;
- (2) the district's right 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 the bond;
- (3) the district's right to impose and collect an

assessment or tax; or

(4) the legality or operation of the district or the board.

(c) A description of the district's boundaries shall be filed with the Texas Commission on Environmental Quality. The commission by order may correct a mistake in the description of the district's boundaries.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.006. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.007. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3860.051. COMPOSITION; TERMS. (a) The district is governed by a board of 14 voting directors who serve staggered terms of four years, with seven directors' terms expiring June 1 of each odd-numbered year.

(b) The board by order or resolution may increase or decrease the number of voting directors on the board, but only if it is in the best interest of the district to do so. The board may not:

(1) increase the number of directors to more than 15;
or

(2) decrease the number of directors to fewer than five.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1,

eff. June 15, 2007.

Sec. 3860.052. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.053. 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; and

(C) public works; 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.054. QUORUM. (a) A majority of the board is a quorum.

(b) Nonvoting directors and vacant director positions are not counted for the purposes of establishing a board quorum.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.055. CONFLICTS OF INTEREST; ONE-TIME AFFIDAVIT. (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 for 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 a one-time affidavit declaring the interest. An additional affidavit is not required if the director's interest changes. After the affidavit is filed with the board secretary, 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.

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

(d) 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.056. COMPENSATION OF VOTING DIRECTORS. Voting directors may receive fees of office and reimbursement of expenses as provided by Section 49.060, Water Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3860.101. GENERAL DISTRICT POWERS. The district has all powers necessary to accomplish the purposes for which the district was created.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.102. DEVELOPMENT CORPORATION AND HOUSING CORPORATION POWERS OF DISTRICT. The district may exercise the powers given to:

(1) a corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, and maintain the projects described by that chapter; and

(2) a housing finance corporation under Chapter 394, Local Government Code, to provide housing or residential development projects in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 21.047, eff. September 1, 2009.

Sec. 3860.103. 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. 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.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.104. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.105. CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with:

(1) Harris County or the City of Houston for the county or the city to provide law enforcement services in the district for a fee; and

(2) a private entity for the private entity to provide supplemental security services.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.106. APPROVAL BY CITY OF HOUSTON. (a) Except as provided by Subsection (b), the district must obtain the approval of the City of Houston's governing body for:

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

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

(3) the plans and specifications of any district 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) 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1,

eff. June 15, 2007.

Sec. 3860.107. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to an organization that:

(1) is an organization exempt from taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c)(3), (4), or (6) of that code; and

(2) performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.108. ROAD POWERS. The district may exercise the powers given to:

(1) a road district created under Chapter 257, Transportation Code; and

(2) a road utility district created under Chapter 441, Transportation Code.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.109. AIR RIGHTS; CONSTRUCTION. The district may acquire air rights and may construct improvements on property on which it only owns air rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.110. ADDITIONAL PROPERTY RIGHTS; LEASEHOLDS. The district may construct improvements on property on which it only has a leasehold interest and may own undivided interests in buildings and other improvements.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.111. DIVISION OF DISTRICT. (a) The district shall be divided into two districts only if the district is not imposing ad valorem taxes.

(b) Not later than the 60th day after the effective date of the Act creating this chapter, the board shall adopt an order dividing the district into two districts. The original district includes all district territory not included in the new district. The new district includes all the territory included in state representative district 131 on the date the division is effective. Neither district may request consent to its creation from the City of Houston until the order dividing the district is adopted.

(c) After the division of the district:

(1) the original district is governed by a board of seven voting directors consisting of the directors appointed to positions 8 through 14; and

(2) the new district is governed by a board of seven voting directors consisting of the directors appointed to positions one through seven of the original district.

(d) An order dividing the district must:

(1) name the new district;

(2) describe the boundaries of the new district;

(3) name the initial directors of the new district;

and

(4) divide the assets and liabilities in any manner between the new district and the original district.

(e) Not later than the 10th day after the date the board adopts the order, the district shall file the order with the Texas Commission on Environmental Quality and record the order in the real property records of Harris County.

(f) The new district has all the powers and duties of the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.112. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3860.151. PUBLIC TRANSIT SYSTEM. The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain a public transit system to serve the area in the district.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.152. 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, including:

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

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

(b) A parking facility of the district must be either leased to or operated on behalf of the district by a private entity or an entity other than the district. The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution, and accomplish a public purpose under that section even if leased or operated by a private entity for a term of years.

(c) 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.153. RULES. The district may adopt rules covering its public transit system or its public parking facilities except that a rule relating to or affecting the use of the public right-of-way or a requirement for off-street parking is subject to all applicable municipal charter, code, or ordinance requirements.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1,

eff. June 15, 2007.

Sec. 3860.154. FINANCING 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 and operating a public transit system or public parking facilities.

(b) The district may set and impose fees, charges, or tolls for the use of the public transit system or the public parking facilities and may issue bonds or notes to finance the cost of these facilities.

(c) If the district pays for or finances the cost of acquiring or operating a public transit system or public parking facilities with resources other than assessments, a petition of property owners or a public hearing is not required.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.155. AGREEMENT WITH RAPID TRANSIT AUTHORITY. (a) In this section, "authority" means a rapid transit authority created under Chapter [451](#), Transportation Code.

(b) The district and an authority may agree to jointly construct, own, operate, and maintain a transit facility or a parking facility under the terms the authority and district desire.

(c) The agreement may provide that the district and the authority exchange or trade land provided that each party to the agreement receives fair market value. The authority is not required to offer any property that it proposes to trade to the district for sale to the public or for sale to any abutting property owner.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 3860.201. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.202. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS. (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 25 owners of real property in the district that will be subject to the assessment, if more than 25 persons own real property subject to the assessment in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.203. MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section [3860.208](#), the district may impose an annual ad valorem tax on taxable property in the district to:

- (1) administer the district;
- (2) maintain and operate the district;
- (3) construct or acquire improvements; or
- (4) provide a service.

(b) The board shall determine the tax rate.

(c) An owner of real property in the district, except property exempt under the Texas or United States Constitution or under the Tax Code, is liable for the payment of ad valorem taxes imposed by the district on the property.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.204. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.205. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.206. BONDS AND OTHER OBLIGATIONS. (a) The district may issue bonds or other obligations payable wholly or partly from assessments, impact fees, revenue, grants, or other money of the district, or any combination of those sources of money, to pay for any authorized district purpose.

(b) In exercising the district's power to borrow, 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.207. LIMIT ON PARKS AND RECREATION BONDS. Bonds issued to finance parks and recreational facilities may not exceed one percent of the assessed value of the real property in the district according to the most recent certified tax appraisal roll for Harris County.

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.

Sec. 3860.208. 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 a maintenance tax or issues bonds payable from ad valorem taxes.

(b) The board may not include more than one purpose in a single proposition at an election.

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

Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1,

eff. June 15, 2007.

Sec. 3860.209. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS. (a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

- (1) implement a plan adopted under that subchapter;
- (2) issue bonds; and
- (3) impose a tax in a defined area established under that subchapter.

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code. Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.210. 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. Added by Acts 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

Sec. 3860.211. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. 4134), Sec. 1, eff. June 15, 2007.

SUBCHAPTER F. DISSOLUTION

Sec. 3860.251. 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 2007, 80th Leg., R.S., Ch. 968 (H.B. [4134](#)), Sec. 1, eff. June 15, 2007.