

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT  
CHAPTER 3872. CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 2

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3872.001. DEFINITIONS. In this chapter:

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

(2) "Director" means a board member.

(3) "District" means the Chambers County Improvement District No. 2.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.002. CREATION AND NATURE OF DISTRICT; IMMUNITY.

(a) The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district is a governmental unit under Chapter 101, Civil Practice and Remedies Code, and the operations of the district are essential government functions and are not proprietary functions for any purpose, including the application of Chapter 101, Civil Practice and Remedies Code.

(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment applicable to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 1, eff. May 29, 2017.

Sec. 3872.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent

directors as provided by Section [49.102](#), Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section [3872.003](#) until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.005. 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, the legislature has established a program to accomplish the public purposes set out in Sections [52](#) and [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 the City of Baytown, Chambers County, or any other governmental entity from providing the level of services provided, as of the effective date of the Act creating this chapter, to the area in the district. The district is created to supplement and not to supplant the governmental services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.006. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

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

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and road facilities and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and

(4) provide for water, wastewater, drainage, road, and recreational facilities for the district.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, 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 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 2, eff.

May 29, 2017.

Sec. 3872.007. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act creating this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act creating 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 the purposes 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 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.008. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district may be included in one or more of the following:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 3, eff. May 29, 2017.

Sec. 3872.009. 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 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.010. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.011. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 4, eff. May 29, 2017.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3872.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Chapter 49, Water Code.

(b) Except as provided by Section 3872.052, directors serve staggered four-year terms.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.052. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act creating this chapter, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under

Section [3872.003](#); or

(2) the fourth anniversary of the effective date of the Act creating this chapter.

(c) If permanent directors have not been elected under Section [3872.003](#) and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section [3872.003](#); or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the Texas Commission on Environmental Quality requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.053. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section [49.060](#), Water Code, for directors of a municipal utility district. Sections [375.069](#) and [375.070](#), Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.054. DISQUALIFICATION OF DIRECTORS. Section [49.052](#), Water Code, applies to the district.

Added by Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. [1260](#)), Sec. 5, eff. May 29, 2017.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3872.101. GENERAL POWERS. (a) The district may purchase, construct, acquire, own, operate, maintain, improve, or extend, inside and outside the district, works, facilities, and improvements necessary or convenient to accomplish the purposes of the district authorized by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(b) The district has the rights, powers, privileges, authority, and functions conferred by the general law of this state applicable to:

(1) a municipal management district, including Chapter 375, Local Government Code; and

(2) municipal utility districts, including Chapters 49 and 54, Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.102. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 6, eff. May 29, 2017.

Sec. 3872.103. EVALUATION OF FEASIBILITY. For purposes of any applicable evaluation by the Texas Commission on Environmental Quality of the economic feasibility of the district or its project and bonds, debt service tax rate, maintenance tax rate, or overlapping tax rate, the commission shall treat the district as a municipal utility district situated wholly within Harris County, Texas.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.104. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may own, operate, maintain, improve, design, acquire, construct, finance, and issue bonds, notes, or other obligations for macadamized, graveled, or paved roads or improvements, including storm drainage and other improvements located in or adjacent to road rights-of-way, in aid of those roads.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 7, eff. May 29, 2017.

Sec. 3872.1051. CONVEYANCE AND APPROVAL OF ROAD PROJECT.

(a) The district may convey a road project authorized by Section 3872.104 to:

(1) the municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or

(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3872.104 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Added by Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 8, eff. May 29, 2017.

Sec. 3872.106. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code, including the power to own, operate, acquire, construct, lease, improve, or maintain a



project described by that chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.107. 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 member of the corporation's board of directors is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.108. 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 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.109. LAW ENFORCEMENT SERVICES. Section [49.216](#), Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. [1260](#)), Sec. 9, eff. May 29, 2017.

Sec. 3872.110. 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. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.111. 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. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.112. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section [43.0751](#), Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.113. LIMITED EMINENT DOMAIN. (a) The district may exercise the power of eminent domain only for the purposes, only to the extent, and subject to the limitations the general law provides for a municipal utility district.

(b) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section [3872.104](#); or
- (2) a recreational facility as defined by Section

[49.462](#), Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.114. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter [J](#), Chapter [49](#), Water Code.

(b) The district may exclude land as provided by Subchapter [J](#), Chapter [49](#), Water Code. Section [375.044](#)(b), Local Government Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.115. FIREFIGHTING AND EMERGENCY MEDICAL SERVICES. Subchapter [L](#), Chapter [49](#), Water Code, applies to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3872.151. 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 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, maintain, or provide any works, facilities, improvements, or services authorized under this chapter, Chapter [375](#), Local Government Code, or Chapters [49](#) and [54](#), Water Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.153. 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 filed under Subsection (a) 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 Chambers County; or

(2) at least 25 persons who own real property in the district subject to assessment, if more than 25 persons own real property in the district subject to assessment as determined by the most recent certified tax appraisal roll for Chambers County.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.154. METHOD OF NOTICE FOR HEARING. 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 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.

(a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district regardless of whether the part of the district where the assessment is to be imposed is subject to an assessment previously imposed by the board.

(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 are:

(1) a first and prior lien against the property assessed;

(2) superior to any other lien or claim other than a

lien or claim for county, school district, or municipal ad valorem taxes; and

(3) 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 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 229 (S.B. 1260), Sec. 10, eff. May 29, 2017.

Sec. 3872.156. 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 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.157. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3872.161, 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.158. CONTRACT TAXES. (a) In accordance with Section [49.108](#), Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.159. 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 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.160. 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 annual ad valorem tax, without limit as to 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. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.161. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by:

(1) revenue other than ad valorem taxes; or

(2) contract payments described by Section [3872.158](#).

(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) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

(d) At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.162. 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. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.163. 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. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER E. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3872.201. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district to pay for improvements, facilities, or services that primarily benefit that area or property and do not generally and directly benefit the district as a whole.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.202. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the defined area or designated property, the board shall call and hold an election in the defined area or within the boundaries of the designated property only.

(b) The election shall be conducted as provided by Section [3872.161](#).

(c) The board may submit the issues to the voters on the same ballot to be used in another election.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.

Sec. 3872.203. DECLARING RESULTS AND ISSUING ORDER. (a) If a majority of the voters voting at the election approve the proposition or propositions, the board shall declare the results and, by order, shall establish the defined area and describe it by metes and bounds or designate the specific property.

(b) The board's order is not subject to judicial review except on the ground of fraud, palpable error, or arbitrary and confiscatory abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1,



eff. June 19, 2009.

Sec. 3872.204. TAXES FOR IMPROVEMENTS AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described by Section 3872.203, the district may apply separately, differently, equitably, and specifically its taxing power and lien authority to the defined area or designated property to provide money to construct, administer, maintain, and operate services, improvements, and facilities that primarily benefit the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.205. ISSUANCE OF BONDS FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section 3872.203 is adopted, the district may issue bonds to provide for any land, improvements, facilities, plants, equipment, and appliances for the defined area or designated property.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER F. MUNICIPAL ANNEXATION AND EFFECT ON MUNICIPAL POWERS

Sec. 3872.251. MUNICIPAL ANNEXATION OF THE DISTRICT. Notwithstanding Chapter 43, Local Government Code, a municipality in whose extraterritorial jurisdiction the district is located may annex all or part of the district. Municipal annexation of all or part of the district has no effect on the validity of the district and the district shall continue to exist and exercise the powers granted by this Act. Municipal annexation does not result in total or partial dissolution of the district or an assumption by the annexing municipality of any of the district's obligations or indebtedness.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. 2511), Sec. 1, eff. June 19, 2009.

Sec. 3872.252. EFFECT ON MUNICIPAL POWERS. (a) The

creation of the district does not affect the power of a municipality in whose extraterritorial jurisdiction the district or part of the district lies to:

(1) designate all or part of the district as an industrial district;

(2) limit a power of the municipality conferred by Chapter [42](#), Local Government Code; or

(3) provide municipal services to any area in the municipality or its extraterritorial jurisdiction that is also in the district.

(b) The creation of the district does not affect the power the municipality had before the district was created to spend money or provide services.

Added by Acts 2009, 81st Leg., R.S., Ch. 873 (S.B. [2511](#)), Sec. 1, eff. June 19, 2009.