

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3875. SMITH COUNTY ECONOMIC DEVELOPMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3875.001. CREATION OF DISTRICT; LEGISLATIVE DECLARATION. (a) Notwithstanding any law relating to consent by political subdivisions to the creation of conservation and reclamation districts and the inclusion of land in those districts, the Smith County Economic Development District is created as a special district under Section 59, Article XVI, Texas Constitution.

(b) The district is a unit of government for purposes of Chapter 101, Civil Practice and Remedies Code (Texas Tort Claims Act), and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of the Texas Tort Claims Act.

(c) The board by resolution may change the district's name.

(d) The creation of the district is essential to the accomplishment of the purposes of Section 52, Article III, and Section 59, Article XVI, Texas Constitution, and to the accomplishment of the public purposes stated in this chapter.

(e) The district is necessary to promote, develop, encourage, and maintain employment, commerce, economic development, and public welfare in the Smith County Economic Development District. The creation of the district and this chapter are not to be interpreted to relieve Smith County or any other political subdivision from providing the level of services as of the effective date of this chapter, to the area included in the district or to release the county or political subdivision from its obligations to provide services to that area. The district is created to supplement and not supplant such services in the area included within the district.

(f) Except as otherwise provided by this chapter, the district is not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see S.B. [766](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3875.002. DEFINITIONS. In this chapter:

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

(2) "Commission" means the Texas Natural Resource Conservation Commission.

(3) "District" means the Smith County Economic Development District.

(4) "Improvement project" means any program or project authorized by this chapter, inside or outside the district, that is necessary to accomplish the public purposes of the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.003. BOUNDARIES. The district includes all of the territory contained within the tracts of land described as follows:

Tract I

72.149 acres

All that certain tract or parcel of land situated in the A. J. Lagrone Survey, Abstract 571, the David Barclay Survey, Abstract 91, and the Isaac Read Survey, Abstract 813, Smith County, Texas, being out of and a part of the remainder of that certain 40.05 acre First Tract and 44.88 acre Second Tract described in a Warranty Deed from Ann Clyde (Clinkscales) McCombs to Betty Ruth Yancy et vir

Bobby Joe Yancy, dated May 27, 1992, and recorded in Volume 3238, Page 330 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found for the southwest corner of the herein described tract, same being the point of intersection of the west line of said 44.88 acre tract with the north right-of-way line of Interstate Highway 20; a concrete monument found for reference bears South 80°26'29" East, 40.46 feet;

THENCE, North 05°38'10" East, with the west line of said 44.88 acre tract, same being the east line of that certain 25.555 acre Tract One described in a Warranty Deed in Cancellation of Debt from Featherston, Inc. to Black Stone Paving, Inc. and recorded in Volume 3684, Page 800 of said Land Records, and generally with a barbed wire fence, a distance of 1375.02 feet to a 1/2" iron rod set for the northeast corner of said 25.555 acre tract, same being the northeast corner of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in Volume 1336, Page 174 of the Deed Records of Smith County, same being in the south right-of-way line of U.S. Highway 271;

THENCE, North 68°19'10" East with said south right-of-way line of U.S. Highway 271, a distance of 54.37 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 68°23'11" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 800.26 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 65°30'49" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 200.18 feet to a concrete right-of-way monument found for an angle point in same;

THENCE, North 68°21'49" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 956.63 feet to a 1/2" iron pipe found for the northern northeast corner of the herein described tract, same being the point of intersection of the northern northeast line of said 40.05 acre tract with said south right-of-way line; a concrete right-of-way monument found for reference bears North 68°21'49" East, 142.48 feet;

THENCE, South 19°55'00" East, a distance of 217.20 feet to a 1/2" iron rod set for the northern interior corner of said 40.05

acre tract;

THENCE North 84°34'00" East, a distance of 117.56 feet to a 2" iron rod found for the southern northeast corner of the herein described tract, same being the point of intersection of the southern northeast line of said 40.05 acre tract with the west right-of-way line of FM Highway 757;

THENCE, South 20°11'34" West, with said west right-of-way line of FM Highway 757, a distance of 608.33 feet to a 1/2" iron rod set for the point of curvature and the beginning of a curve to the left having a radius of 2,904.79 feet;

THENCE, continuing with said West right-of-way line of FM Highway 757, and along said curve to the left having a radius of 2,904.79 feet, a central angle of 05°49'43", and a chord bearing and distance of South 17°16'43" West, 295.38 feet, an arc length of 259.50 feet to a 1/2" iron rod set for the end of said curve and the point of tangency;

THENCE, South 14°21'51" West, continuing with said west right-of-way line of FM Highway 757 a distance of 549.28 feet to a 1/2" iron rod set a corner in the north right-of-way line of said Interstate Highway 20;

THENCE, North 75°52'30" West, with said north right-of-way line of Interstate Highway 20 a distance of 10.00 feet to a concrete right-of-way monument found for a corner of same;

THENCE, South 14°31'05 West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 457.36 feet to a concrete right-of-way monument found for a corner of same;

THENCE, North 75°07'02" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 202.01 feet to a concrete right-of-way monument found for a corner of same;

THENCE, South 62°34'10" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 518.96 feet to a concrete right-of-way monument found for a corner of same;

THENCE, South 87°33'33" West, continuing with said north right-of-way line of Interstate Highway 20, a distance of 369.53 feet to a concrete right-of-way monument found for a corner of same;

THENCE, North 80°26'29" West, continuing with said north right-of-way line of Interstate Highway 20, at 576.73 feet pass

said concrete right-of-way monument found for reference, and continuing in all a total distance of 617.19 feet to the POINT OF BEGINNING and containing 72.149 acres of land.

Tract II

19.806 acres

All that certain tract or parcel of land situated in the Asa Wright Survey, Abstract 1037, the David Barclay Survey, Abstract 91, and the Isaac Read Survey, Abstract 813, Smith County, Texas, being out of and a part of the remainder of that certain 25.555 acre Tract One described in a Warranty Deed in Cancellation of Debt from Featherston, Inc. to Black Stone Paving, Inc., dated June 1, 1995, and recorded in Volume 3684, Page 800 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found for the southeast corner of said 25.555 acre tract, same being in the north right-of-way line of Interstate Highway 20; a concrete monument found for reference bears South 80°26'29" East, 40.46 feet;

THENCE, North 66°15'00" West, with the south line of said 25.555 acre tract, same being said north right-of-way line of Interstate Highway 20 (and the bearing basis of this survey as related to the record bearing), a distance of 1,223.37 feet to a 1/2" iron rod found for the southeast corner of that certain 3.000 acre tract described in a deed to Exstar Development Inc., of record in Volume 3989, Page 568 of the Official Public Records of Smith County, Texas, same being the southwest corner of the herein described tract;

THENCE, North 28°35'30" East, with the southeast line of said 3000 acre tract, a distance of 395.10 feet to a 1/2" iron rod found for a corner of same;

THENCE, North 21°30'45" West, a distance of 100.03 feet to a 1/ 2" iron rod found for the northwest corner of the herein described tract, same being in the north line of said 25.555 acre tract, same being in the south right-of-way line of U.S. Highway 271;

THENCE, N 68°28'07" East, with the north line of said 25.555 acre tract, same being said south right-of-way line of U.S. Highway

271, a distance of 924.26 feet to a 1/2" iron rod found for the northwest corner of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in volume 1336, Page 174 of the Deed Records of Smith County, Texas, same being the northern Northeast corner of the herein described tract;

THENCE South 05°27'10" West, a distance of 504.24 feet to a 1/2" iron rod set for the southwest corner of said Hooper tract;

THENCE, South 84°21'50" East, a distance of 230.40 feet to a 1/ 2" iron rod set for the southeast corner of said Hooper tract, same being the southern northeast corner of the hererin described tract; same being in the east line of said 25.555 acre tract;

THENCE, South 05°38'10" West, with the east line of said 25.555 acre tract, a distance of 750.95 feet to the POINT OF BEGINNING and containing 19. 806 acres of land.

Tract III

3.000 acres

All that certain tract or parcel of land situated in the Asa Wright Survey, Abstract 1037, and the Isaac D. Read Survey, Abstract 813, Smith County, Texas, being all of that certain called 2.500 acre Tract One described in a Warranty Deed from Black Stone Paving, Inc., to John Pollard, Jr., dated June 1, 1995, and recorded in Volume 3684, Page 809 of the Land Records of Smith County, Texas, and being out of and a part of the remainder of that certain 25.555 acre Tract One described in a Warranty deed in Cancellation of Debt from Featherston, Inc. to Black Stone Paving, Inc., dated June 1, 1995, and recorded in Volume 3684, Page 800 of the Land Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument found for the southwest corner of said 2.500 acre tract, same being the point of intersection of the north right-of-way line of Interstate Highway 20 with the southeast right-of-way line of U.S. Highway 271;

THENCE, North 53°35'37" East, with said southeast right-of-way line of U.S. Highway 271, a distance of 163.34 feet to a 1/2" iron rod set for a corner of said 2.500 acre tract;

THENCE, North 72°39'34" East, continuing with said southeast

right-of-way line of U.S. Highway 271, a distance of 200.50 feet to a 1/2" iron rod found for a corner of said 2.500 acre tract;

THENCE, North 68°28'53" East, continuing with said southeast right-of-way line of U.S. Highway 271, a distance of 268.34 feet to a 1/2" iron rod set for the northwest corner of said 2.500 acre tract;

THENCE, South 21°30'45" East, a distance of 100.03 feet to a 1/2" iron rod found for the northeast corner of said 2.500 acre tract;

THENCE 28°35'30" West, a distance of 395.10 feet to a 1/2" iron rod found for the southeast corner of the herein described tract, same being in the south line of said 25.555 acre tract, same being in said north right-of-way line of Interstate Highway 20;

THENCE 66°15'00" West, with the South line of said 25.555 acre tract, same being said North right-of-way line of Interstate Highway 20 (and the bearing basis of this survey as related to the record bearing), at 109.61 feet pass a 1/2" iron rod found for the southeast corner of said 2.500 acre tract, and continuing in all a total distance of 458.96 feet to the POINT OF BEGINNING and containing 3.000 acres of land.

Tract IV

1.044 acres

All that certain tract or parcel of land situated in the A. J. Lagrone Survey, Abstract 571, Smith County, Texas, being out of and a part of that certain called 1.220 acre tract described in a Warranty Deed with Vendor's Lien from J. G. Andrews to Herman L. Stevenson et ux Dorothy Stevenson, dated December 10, 1968, recorded in Volume 1286, Page 357 of the Deed Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron pipe found for the northwest corner of said 1.220 acre tract, same being in the south right-of-way line of U.S. Highway 271;

THENCE, North 68°21'49" east, with said south right-of-way line of U.S. Highway 271, a distance of 142.48 feet to a concrete right-of-way monument found for an angle point in same, same being a north corner of said 1.220 acre tract;

THENCE, South 76°09'34" East, continuing with said south right-of-way line of U.S. Highway 271, a distance of 136.59 feet to a concrete right-of-way monument found for a corner in the northeast line of said 1.220 acre tract, same being in the west right-of-way line of F.M. 757;

THENCE, South 19°10'20" West, with said west right-of-way line of F.M. 757, a distance of 225.44 feet to a 2" iron rod found for the southeast corner of the herein described tract, same being in the southern northeast line of that certain 40.05 acre First Tract described in a Warranty Deed from Ann Clyde (Clinkscales) McCombs to Betty Ruth Yancy et vir Bobby Joe Yancy, dated May 27, 1992, and recorded in Volume 3238, Page 330 of the Land Records of Smith County, Texas;

THENCE, South 84°34'00" West, with said southern northeast line of said 40.05 acre tract, a distance of 117.56 feet to a 1/2" iron rod set for the northern interior corner of same;

THENCE, North 19°55'00" West, with the northern northeast line of said 40.05 acre tract, a distance of 217.20 feet to the POINT OF BEGINNING and containing 1.044 acres of land.

Tract V

10.394 acres

All of that certain parcel or tract of land located in the David Barclay Survey, Abstract No. 91 and the Aston Shafner Survey, Abstract No. 868, Smith County, Texas, and being part of that certain 26.9 acre tract conveyed to James T. Kyles by Gerald W. Kyles on October 13, 1964, and recorded in Volume 1133, Page 19 of the Deed Records of Smith County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron rod for corner, being at the intersection of the East line of the above mentioned 26.9 acre tract and the North right-of-way line of Interstate Highway 20;

THENCE in a Northwesterly direction, with the North right-of-way line of the said Interstate Highway 20, as follows: North 87°29' West 93.87 feet to a right-of-way monument; North 64°11' West 380.79 feet to a right-of-way monument; North 40°30' West 368.61 feet to a right-of-way monument; and North 73°44' West at 57.49 feet to a right-of-way monument;

THENCE North 14°39' East, a distance of 375.74 feet to a 1/2" iron rod for corner, being at the intersection of the East right-of-way line of FM Highway 757 and the South right-of-way line of FM Highway No. 1252;

THENCE in an Easterly Direction, with the South right-of-way line of FM Highway No. 1252 as follows: South 75°44' East 50.51 feet; South 81°18' East 138.22 feet; South 88°34' East 120.49 feet; North 84°12' East 118.61 feet; North 76°26' East 121.38 feet; and North 71°37' East 107.38 feet to a 1" iron rod for corner, being in the East line of the above mentioned 26.9 acre tract;

THENCE South 00°31' West, with the East line of the 26.9 acre tract, a distance of 867.87 feet to the place of beginning, containing 10.394 acres of land.

Tract VI

3.226 acres

All of that certain parcel or tract of land located in the David Barclay Survey, Abstract No. 91 and the Aston Shafner Survey, Abstract No. 868, Smith County, Texas, and being part of that certain 26.9 acre tract conveyed to James T. Kyles by Gerald W. Kyles on October 13, 1964, and recorded in Volume 1133, Page 19 of the Deed Records of Smith County, Texas, and being more completely described as follows, to-wit:

BEGINNING at a 1/2" iron rod for corner, being at the intersection of the East line of the above mentioned 26.9 acre tract and the South right-of-way line of Interstate Highway 20;

THENCE South 00°31' West, with the East line of the 26.9 acre tract, a distance of 358.82 feet to a strap iron for corner, being the southeast corner of the 26.9 acre tract;

THENCE North 89°30' West, with the South line of the 26.9 acre tract, a distance of 314.60 feet to a 1/2" iron rod for corner, being in the center of a creek, also being the Southerly Southwest corner of the 26.9 acre tract;

THENCE North 30°37' West, with the center of said creek, a distance of 252.78 feet to a point for corner in the center of said creek;

THENCE North 45°51' West, a distance of 52.88 feet to a 1/2" iron rod for corner; said corner being in the South right-of-way

line of Interstate Highway 20;

THENCE North 63°42' East, with the South line of said Interstate Highway 20, a distance of 254.85 feet to a right of way monument;

THENCE South 87°29' East, continuing with the South right-of-way line of said Interstate Highway 20, a distance of 256.27 feet to the place of beginning, containing 3.226 acres of land.

Tract VII

2.996 acres

All that certain tract or parcel of land situated in the Isaac D. Read Survey, Abstract 813, and the David Barclay Survey, Abstract 91, Smith County, Texas, being all of that certain tract described in a Special Warranty Deed to Elbert Carroll Hooper et ux Rose Marie Hooper, of record in Volume 1336, Page 174 of the Deed Records of Smith County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod found for the northwest corner of said Hooper tract, same being in the South right-of-way line of U.S. Highway 271;

THENCE, North 68°19'10" East, with said South right-of-way line of U.S. Highway 271, a distance of 261.13 feet to a 1/2" iron rod set for the northeast corner of said Hooper tract;

THENCE, South 05°38'10" West, a distance of 624.07 feet to a 1/2" iron rod set for the southeast corner of said Hooper tract;

THENCE, North 84°21'50" West, a distance of 230.40 feet to a 1/2" iron rod set for the southwest corner of said Hooper tract;

THENCE, North 05°27'10" East, with the West line of said Hooper tract, a distance of 504.24 feet to the POINT OF BEGINNING and containing 2.996 acres of land.

Tract VIII

16.130 acres

All that certain tract or parcel of land, being 16.130 acres situated in the Acton Shofner Survey, Abstract No. 868, Smith County, Texas, being part of that certain called 26.93 acre tract described in a Quitclaim Deed from James O. Kay to Buryl C. Kay, dated July 24, 1996, recorded in Volume 3840, Page 474 of the Land

Records of Smith County, Texas, said 16.130 acres being more completely described as follows, to-wit:

Bearings are based on the monumented East line of tracts one and two described in a deed to Jay T. Gordon et al, recorded in Volume 4723, Page 277.

BEGINNING at the Northwest corner of the above mentioned Buryl C. Kay tract, being near the center of the paved surface of FM Highway 1252 (also known as the Tyler-Thunderstruck Road), a 1" iron rod (found for a reference) bears South 00°31'00" West, 42.06 feet, said 1" iron rod being the Northeast corner of the Jay T. Gordon et al Tract One (called 10.394 acres) recorded in Volume 4723, Page 277;

THENCE North 71°11'57" East, generally along the center of the paved surface of said FM Highway 1252 and with the North line of said Kay tract, a distance of 720.51 feet to the Northeast corner of same, a Sucker rod (found for reference) bears South 00°55'54" West, 42.74 feet, said Sucker rod being the Northwest corner of the CBLs Family Trust called 1.952 acre tract recorded in Volume 3985, Page 161;

THENCE South 00°55'54" West, with the East line of said Kay tract, with the West line of said CBLs Family Trust Tract, with the West Line of the Randall L. McIntyre, et ux, called 16.1013 acre tract recorded in Volume 3500, Page 531 and with the West line of the American Fidelity Savings Association called 0.786 of an acre recorded in Volume 2893, Page 433, a total distance of 1171.51 feet to a 1" iron pipe (found) for the Southwest corner of said 0.786 of an acre tract, being in the North line of Interstate Highway 20;

THENCE North 87°28'34" West with the North line of said Interstate Highway 20, a distance of 671.86 feet to a 1/2" iron rod (found) in the West line of the above mentioned Buryl C. Kay tract, being the Southeast corner of the above mentioned Jay T. Gordon et al Tract One;

THENCE North 00°31'00" East, with the West line of the Kay tract, same being the East line of said Jay T. Gordon, et al, tract, a distance of 909.60 feet to THE PLACE OF BEGINNING, containing 16.130 acres of land, of which, 0.88 of an acre is within the right-of-way of the above mentioned FM Highway 1252.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.004. FINDINGS RELATED TO BOUNDARIES. The legislature finds that the boundaries and field notes of the district form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the organization, existence, or validity of the district, the right of the district to enter into any type of contract for the purposes for which the district is created, the right of the district to impose, assess, or collect taxes, fees, or charges, or the operation of the district or its governing body.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.005. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) All of the land and other property included within the boundaries of the district will be benefited by the works, projects, improvements, and services that are to be accomplished by the district under powers conferred by Section [52](#), Article III, and Section [59](#), Article XVI, Texas Constitution, and other powers granted under this chapter. The district is created to serve a public use and benefit.

(b) The creation of the district:

(1) is essential to further the public purposes of the economic development and diversification of the state, the elimination of unemployment and underemployment, and the stimulation and development of transportation and commerce;

(2) is in the public interest; and

(3) will promote the health, safety, and general welfare of residents, employers, employees, and consumers in the

district and of the general public.

(c) The district will provide needed funding for the district area to preserve, maintain, and enhance the economic health and vitality of the area as a community and business and commerce center. The district will further promote the health, safety, welfare, education, convenience, and enjoyment of the public by improving, landscaping, and developing certain areas within and adjacent to the district and providing public services and facilities within and adjacent to the district that are necessary for the restoration, preservation, enhancement, and enjoyment of scenic and aesthetic beauty. The improvement projects authorized by this Act are essential to carrying out a public purpose. The district will not act as the agent or instrumentality of any private interests, even though private interests and the general public will benefit from the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.006. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER B. POWERS AND DUTIES

Sec. 3875.031. GENERAL POWERS AND DUTIES. (a) The district has all of the powers and duties provided by the general law of this state, including:

- (1) Subchapter [E](#), Chapter [375](#), Local Government Code;
- (2) the general laws of this state on conservation and

reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code; and

(3) the general laws of this state on road districts and road utility districts created under Section 52(b)(3), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) If any provision of the general law is in conflict or inconsistent with this chapter, this chapter prevails. Any general law that supplements the power and authority of the district, to the extent not in conflict or inconsistent with this chapter, is adopted and incorporated by reference.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(18), eff. September 1, 2015.

Sec. 3875.032. IMPROVEMENT PROJECTS. The district may conduct or authorize the following types of improvement projects or activities in support of or incidental to improvement projects:

(1) the planning, design, construction, improvement, and maintenance of:

(A) landscaping;

(B) highway right-of-way or transit corridor beautification and improvements;

(C) lighting, banners, and signs;

(D) streets or sidewalks;

(E) hiking and cycling paths and trails, pedestrian walkways, skywalks, crosswalks, or tunnels;

(F) parks, lakes, gardens, recreational facilities, open space, scenic areas, and related exhibits and preserves;

(G) fountains, plazas, and pedestrian malls; and

(H) drainage or storm water detention

improvements;

(2) the planning, design, construction, improvement, maintenance, and operation of:

(A) solid waste, water, sewer, or power facilities or services, including electrical, gas, steam, and chilled water facilities; or

(B) off-street parking facilities, bus terminals, and heliports;

(3) the planning and acquisition of:

(A) public art and sculpture and related exhibits and facilities; and

(B) educational and cultural exhibits and facilities;

(4) the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for facilities for:

(A) conferences, conventions, or exhibitions;

(B) manufacturer, consumer, or trade shows;

(C) civic, community, or institutional events;

and

(D) exhibits, displays, attractions, special events, and seasonal or cultural celebrations and holidays;

(5) the removal, razing, demolition, or clearing of land or improvements in connection with any improvement project;

(6) the acquisition and improvement of land and other property for the mitigation of the environmental effects of any improvement project;

(7) the acquisition of real or personal property or an interest in real or personal property in connection with an authorized improvement project;

(8) any special or supplemental services for the improvement and promotion of the district or the areas adjacent to the district or for the protection of public health and safety within or adjacent to the district, including advertising, promotion, tourism, health and sanitation, public safety, security, fire protection or emergency medical services, business recruitment, development, elimination of traffic congestion, and

recreational, educational, or cultural improvements, enhancements, and services; and

(9) any similar public improvements, facilities, or services.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.033. POWERS RELATED GENERALLY TO FINANCIAL AND TERRITORIAL MATTERS. The district may:

(1) impose, assess, and apply the proceeds from a limited sales and use tax as authorized by Section 3875.111 for authorized purposes;

(2) borrow money for district purposes;

(3) add or exclude territory in the manner provided by Subchapter J, Chapter 49, Water Code, as limited by Section 54.016, Water Code, except that:

(A) for purposes of this subdivision, a reference in Subchapter J, Chapter 49, Water Code, or Section 54.016, Water Code, to a tax means an ad valorem tax; and

(B) Section 54.016, Water Code, and Section 42.042, Local Government Code, do not apply to the district's annexation of land restricted primarily to commercial or business use;

(4) enter into a contract with any person for the accomplishment of any district purpose, including a contract for:

(A) the payment, repayment, or reimbursement of any costs incurred by that person for or on behalf of the district, including all or part of the costs of any improvement project and interest on the reimbursed cost; or

(B) the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project;

(5) apply for and contract with any person to receive, administer, and perform any duty or obligation of the district

under any federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, donation, or other financial assistance arrangement relating to the investigation, planning, analysis, study, design, acquisition, construction, improvement, completion, implementation, or operation by the district or others of a proposed or existing improvement project;

(6) establish, revise, repeal, enforce, collect, and apply the proceeds from user fees or charges for the enjoyment, sale, rental, or other use of the district's facilities, services, properties, or improvement projects;

(7) provide or secure the payment or repayment of the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs of any improvement project or district contractual obligation or indebtedness by or through a lease, installment purchase contract, or other agreement with any person, or the levy and assessment of taxes, user fees, concessions, rentals, or other revenues or resources of the district;

(8) undertake separately or jointly with other persons all or part of the cost of an improvement project, including an improvement project:

(A) for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement within and adjacent to the district; or

(B) that confers a general benefit on the entire district or a special benefit on a definable part of the district; and

(9) impose, collect, and apply the proceeds from a hotel occupancy tax as provided by Sections [3875.112](#) and [3875.113](#). Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.001](#)(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec.

21.002(19), eff. September 1, 2015.

Sec. 3875.034. RULES AND REGULATIONS. The district may adopt, amend, and enforce by ordinary civil remedies reasonable rules and regulations:

(1) for the administration and operation of the district;

(2) for the use, enjoyment, availability, protection, security, and maintenance of the district's properties and facilities; and

(3) to provide for public safety and security within the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.035. SECURITY SERVICES. The district may not employ peace officers but may contract for off-duty peace officers to provide public safety and security services as the board determines necessary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.036. ECONOMIC DEVELOPMENT. The district may exercise the economic development powers and authority that Chapter [380](#), Local Government Code, provides to a municipality with a population of more than 100,000, and Chapter [1509](#), Government Code, provides to a municipality.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec.

[21.001\(41\)](#), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.002(20), eff. September 1, 2015.

Sec. 3875.037. ROADWAYS, PARKS, OTHER PUBLIC AREAS. (a) The board by rule may regulate the private use of public roadways, open spaces, parks, sidewalks, and similar public areas within the district. To the extent the rules of the district conflict with a rule, order, ordinance, or regulation of a county or municipality with jurisdiction in the district's territory, the rule, order, ordinance, or regulation of the county or municipality controls. The rules may provide for the safe and orderly use of public roadways, open spaces, parks, sidewalks, and similar public areas or facilities.

(b) The board may require a permit for a parade, demonstration, celebration, entertainment event, or a similar nongovernmental activity in or on the public roadways, open spaces, parks, sidewalks, and similar public areas or facilities. The board may charge a fee for the permit application and for public safety or security services in an amount the board considers necessary.

(c) The board may require a permit or franchise agreement with a vendor, concessionaire, exhibitor, or similar private or commercial person or organization for the limited use of the area or facilities on terms and conditions and on payment of a permit or franchise fee the board may impose.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.038. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of a president, vice president, executive director, general manager, and any other operating officer of the district

the board considers necessary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.039. PROHIBITION ON EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.040. PROHIBITION ON IMPACT FEES AND ASSESSMENTS ON CERTAIN PROPERTY. (a) Because the district is created in an area that is devoted primarily to commercial and business activity, the district may not impose an impact fee or assessment on a single family residential property or a residential duplex, triplex, quadriplex, or condominium.

(b) The district may not impose an impact fee or assessment on the property, equipment, or facilities of a utility.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 3875.071. BOARD OF DIRECTORS. Except as provided by this subchapter, the district is governed by a board of five directors elected by the voters of the district at large. Except as provided by Sections [3875.073](#)(b) and [3875.074](#), directors serve staggered terms of four years and until their successors have been elected and have qualified.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.001](#)(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.002](#)(21), eff. September 1, 2015.

Sec. 3875.072. QUALIFICATIONS. To be qualified to serve as an elected director, a person must be at least 18 years of age and be:

- (1) a resident of the district;
- (2) an owner of real property in the district;
- (3) an owner of at least 10 percent of the outstanding interest of a corporation or general or limited partnership that owns real property in the district; or

- (4) an agent, employee, officer, or director of any corporation or partnership that owns real property in the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.001](#)(41), eff. September 1, 2015.

Sec. 3875.073. INITIAL BOARD. (a) On the effective date of this Act, the initial board of directors is composed of the following persons:

- (1) Position One: Nanci Wright;
- (2) Position Two: Gene Slater; and
- (3) Position Three: Rohn Boone.

(b) The initial directors appointed to serve in Positions One and Two shall serve until the first Saturday in May 2002, or until their successors have been elected and been duly qualified. The initial director appointed to serve in Position Three shall serve until the first Saturday in May 2004, or until the successor has been elected and been duly qualified.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.074. ELECTED BOARD. The board shall call and hold an election on the first Saturday in May 2002 for the election of directors to fill Positions One, Two, Four, and Five. Before the election, the board shall determine which director, of the directors serving in Positions Four and Five, shall serve a term expiring in May 2004. The board shall call and hold an election on the first Saturday in May 2004 to elect a director to Position Three and elect a director to Position Four or Five, as determined by the board.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.075. VACANCY. A vacancy in the office of director shall be filled by appointment of a qualified individual by a majority vote of the remaining directors. The board may remove a director for misconduct or failure to carry out the director's duties by unanimous vote of all of the remaining directors.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.076. DIRECTOR'S BOND. As soon as practicable after a director is elected or appointed, the elected director shall execute a bond for \$10,000 payable to the district and conditioned on the faithful performance of the director's duties. All of the directors' bonds must be approved by the board. Each

director shall take the oath of office prescribed by the constitution for public office. The bond and oath shall be filed with the district and the district shall retain the bond and oath in its records.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.077. OFFICERS; COMPENSATION; QUORUM. (a) The directors shall elect a chair, a vice chair, a secretary, and any other officers as the board considers necessary.

(b) A position on the board may not be construed to be a civil office of emolument for any purpose, including those purposes described in Section [40](#), Article XVI, Texas Constitution.

(c) A director is not entitled to compensation for service on the board but is entitled to be reimbursed for necessary expenses incurred in carrying out the duties and responsibilities of a director.

(d) Three directors constitute a quorum for the consideration of matters pertaining to the district, and a concurrence of a majority of a quorum of directors shall be required for any official action of the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.078. COMMON LAW PRINCIPLES. A person who qualifies to serve on the board is qualified to serve as a director and participate in all votes pertaining to the business of the district regardless of any common-law doctrine or statute regarding conflict-of-interest, incompatibility, or similar matter to the contrary.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.

June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.079. CONFIRMATION AND DIRECTORS ELECTION. (a) As soon as practicable after all initial directors have qualified for office, the initial directors shall hold an organizational meeting and call a confirmation election to be held on the next available uniform election date occurring not less than 45 days after the date of the organizational meeting.

(b) The confirmation election shall be called and held to confirm the establishment of the district in the manner provided by Subchapter D, Chapter 49, Water Code. In the event a majority of the votes cast at a confirmation election is against the creation of the district, the board may not call another confirmation election for six months after the date the former confirmation election is held. Before a successful confirmation election, the district:

(1) may not borrow money or impose or assess a tax; and

(2) may carry on any business as the board may determine except as provided by Subdivision (1).

(c) An election to authorize or to discontinue the imposition and assessment of taxes may be held in conjunction with a confirmation or director election.

(d) The district shall hold an election for directors on the first Saturday in May in each even-numbered year in the manner provided by Subchapter D, Chapter 49, Water Code.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.080. OPEN RECORDS AND MEETINGS. Chapters 551 and 552, Government Code, apply to the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff.

June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER D. TAXES; BONDS; CONTRACTS

Sec. 3875.111. LIMITED SALES AND USE TAX. (a) Words and phrases used in this section that are defined by Chapters 151 and 321, Tax Code, have the meanings assigned by Chapters 151 and 321, Tax Code.

(b) Except as otherwise provided in this section, Subtitles A and B, Title 2, Tax Code, and Chapter 151, Tax Code, apply to the taxes and to the administration and enforcement of the taxes imposed by the district in the same manner that those laws apply to state taxes.

(c) The district may adopt, reduce, or repeal the limited sales and use tax authorized by this section at an election in which a majority of the qualified voters of the district voting in the election approve the adoption or the abolition of the tax, as applicable.

(d) The provisions of Subchapters C, D, E, and F, Chapter 323, Tax Code, relating to county sales and use taxes shall apply to the application, collection, and administration of a sales and use tax imposed under this section to the extent consistent with this chapter, as if references in Chapter 323, Tax Code, to a county referred to the district and references to a commissioners court referred to the board. Sections 323.401-323.404 and 323.505, Tax Code, do not apply to a tax imposed under this section.

(e) A tax imposed under this section or the repeal or reduction of a tax under this section takes effect on the first day of the calendar quarter occurring after the date on which the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code.

(f) On adoption of the tax authorized by this section, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location

in the district does not exceed two percent, on the receipts from the sale at retail of taxable items within the district, and an excise tax on the use, storage, or other consumption within the district of taxable items purchased, leased, or rented from a retailer within the district during the period that the tax is in effect. The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the taxable item. With respect to a taxable service, "use" means the derivation in the district of direct or indirect benefit from the service.

(g) An election to authorize, reduce, or repeal a limited sales and use tax may be called by order of the board and must be held on the next available uniform election date established by Section 41.001, Election Code, that occurs 45 or more days after the date on which the order calling the election was passed. Notice of the election shall be given and the election shall be held and conducted in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts. The ballots shall be printed to provide for voting for or against the appropriate proposition:

(1) "Adoption of a ____ percent district sales and use tax within the district;"

(2) "Reduction of the district sales and use tax within the district from ____ percent to ____ percent;" or

(3) "Abolition of the district sales and use tax within the district."

(h) If all or part of the territory of the district is annexed by a municipality that has adopted and is imposing a sales and use tax, the sales and use tax imposed by the district in the annexed territory shall be reduced, if required, in even multiples of one-eighth percent, and without the necessity for an election, so that the combined rate of all sales and use taxes imposed by the county, the annexing municipality, and all other political subdivisions within the annexed territory of the district will not exceed two percent, provided that a sales and use tax previously adopted by the district for the annexed territory shall not be reduced to less than one-half percent, and provided further that no

reduction of the district's sales and use tax in the portions of the district not so annexed shall be required.

(i) A tax imposed under this section or the reduction or repeal of a tax under this section takes effect on the first day of the calendar quarter occurring after the date on which the comptroller receives the notice required by Section [323.405\(b\)](#), Tax Code.

(j) Not later than the 10th day after the date of the annexation or exclusion of territory by the district or the annexation of all or part of the territory of the district by a municipality requiring a reduction of the district's sales and use tax as provided by Subsection (h), the board shall send to the comptroller, by certified or registered mail, certified copies of all resolutions, orders, or ordinances pertaining to the annexation or exclusion of the territory by a district or municipality.

(k) The district may examine and receive information related to the imposition, assessment, and collection of sales and use taxes to the same extent as if the district were a municipality. Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.112. HOTEL OCCUPANCY TAX. (a) In this section, "hotel" has the meaning assigned by Section [156.001](#), Tax Code.

(b) The board by order may impose, repeal, or increase or decrease the rate of a tax on a person who, under a lease, concession, permit, right of access, license, contract, or agreement, pays for the use or possession or for the right to use or possess a room that is in a hotel located in the boundaries of the district, costs \$2 or more each day, and is ordinarily used for sleeping. The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

(c) Subchapter [A](#), Chapter [352](#), Tax Code, governs a hotel occupancy tax authorized under this section, including the collection of the tax, except as inconsistent with this section and

Section [3875.113](#), subject to the limitations prescribed by Sections [352.002](#)(b) and (c), Tax Code.

(d) The district may examine and receive information related to the imposition, assessment, and collection of hotel occupancy taxes to the same extent as if the district were a municipality.

(e) For purposes of this section, a reference in Subchapter [A](#), Chapter [352](#), Tax Code, to a county is a reference to the district and a reference in Subchapter [A](#), Chapter [352](#), Tax Code, to the county's officers or governing body is a reference to the board.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.001](#)(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. [21.002](#)(22), eff. September 1, 2015.

Sec. 3875.113. USE OF HOTEL OCCUPANCY TAX. (a) The district shall apply the proceeds from a hotel occupancy tax imposed under Section [3875.112](#) for any of the district's purposes and for the purposes described by Section [352.1015](#), Tax Code, to the extent considered appropriate by the board.

(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under Section [3875.112](#) is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

- (1) the costs of advertising and promoting tourism; or
- (2) the costs of business development and commerce, including the costs of planning, designing, constructing, acquiring, leasing, financing, owning, operating, maintaining, managing, improving, repairing, rehabilitating, or reconstructing

improvement projects for conferences, conventions, and exhibitions, manufacturer, consumer, or trade shows, and civic, community, or institutional events.

(c) For purposes of this section, a reference in Subchapter B, Chapter 352, Tax Code, to a county is a reference to the district and a reference in Subchapter B, Chapter 352, Tax Code, to the county's officers or governing body is a reference to the board.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.002(23), eff. September 1, 2015.

Sec. 3875.114. BONDS. (a) The district may issue bonds in the manner provided by Subchapter J, Chapter 375, Local Government Code. Sections 375.207 and 375.208, Local Government Code, do not apply to bonds issued under this section.

(b) If the district issues bonds for the primary purpose of providing water, sewage, or drainage facilities, the district must obtain the commission's approval in the manner provided by Section 49.181, Water Code.

(c) In addition to the sources of money described by Subchapter J, Chapter 375, Local Government Code, the bonds of the district may be secured and made payable, wholly or partly, by a pledge of any part of the net proceeds the district receives from the sales and use tax authorized by Section 3875.111 and the hotel occupancy tax authorized by Section 3875.112.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec. 21.001(41), eff. September 1, 2015.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. 1296), Sec.

21.002(24), eff. September 1, 2015.

Sec. 3875.115. CONTRACTS WITH DISTRICT. (a) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period of time as the board may determine.

(b) Notwithstanding any other law or charter provision, a state agency, municipality, county, other political subdivision, corporation, individual, or other entity may contract with the district to carry out the purposes of this chapter without any further authorization.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

SUBCHAPTER E. DISSOLUTION

Sec. 3875.131. DISSOLUTION. The board by majority vote may dissolve the district at any time. The board shall dissolve the district on written petition of the owners of 75 percent of the acreage of real property in the district.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.132. INDEBTEDNESS AND CONTRACTUAL OBLIGATIONS. The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.

Sec. 3875.133. TRANSFER OF PROPERTY AND ASSETS. After the board elects to dissolve the district, the board shall transfer ownership of all property and assets of the district to Smith County.

Added by Acts 2001, 77th Leg., Ch. 1204 (H.B. 3647), Sec. 1, eff. June 15, 2001.

Transferred and redesignated from Local Government Code, Chapter 385 by Acts 2015, 84th Leg., R.S., Ch. 1236 (S.B. [1296](#)), Sec. 21.001(41), eff. September 1, 2015.