

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT  
CHAPTER 3890. HARRIS COUNTY IMPROVEMENT DISTRICT NO. 16

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3890.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Houston.
- (3) "Director" means a board member.
- (4) "District" means the Harris County Improvement District No. 16.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.002. NATURE OF DISTRICT. The Harris County Improvement District No. 16 is a special district created under Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.003. PURPOSE; DECLARATION OF INTENT. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the City of Houston, Harris County, and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

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

interpreted to relieve the city or Harris County 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 city and county services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, 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 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. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.

Sec. 3890.005. 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. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.

Sec. 3890.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. All or any part of the area of the district is eligible to be included in:

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

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

(3) an enterprise zone created under Chapter [2303](#), Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.

Sec. 3890.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district. Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter. Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3890.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five voting directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

(b) The board by resolution may change the number of voting directors on the board, but only if the board determines that the change is in the best interest of the district. The board may not consist of fewer than five or more than 15 voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.052. APPOINTMENT OF DIRECTORS. The mayor and members of the governing body of the city shall appoint voting directors from persons recommended by the board. A person is appointed if the majority of the members of the governing body, including the mayor, vote to appoint that person.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.054. NONVOTING DIRECTORS. The board may appoint nonvoting directors to serve at the pleasure of the voting directors.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1,

eff. June 19, 2009.

Sec. 3890.055. QUORUM. For purposes of determining the requirements for a quorum of the board, the following are not counted:

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

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.056. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code. Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3890.101. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.102. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

- (1) has each power of and is considered for purposes of this chapter to be a local government corporation created under

Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit corporation shall serve in the same manner as the board of directors of a local government corporation created under Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.103. AGREEMENTS; GRANTS. (a) The district may make an agreement with or accept a gift, grant, or loan from any person.

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

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.104. AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified person, including Harris County or the city, for the provision of law enforcement services in the district for a fee.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.105. APPROVAL BY CITY. (a) Except as provided by Subsection (c), the district must obtain approval from the city for:

(1) the issuance of bonds; and

(2) plans and specifications for an improvement project related to the use of land owned by the city, an easement granted by the city, or a right-of-way of a street, road, or highway.

(b) The approval under Subsection (a)(1) must be by a resolution or ordinance adopted by the governing body of the city. The approval under Subsection (a)(2) may be any form of official approval of the city, including approval by an administrative process that does not involve the city's governing body.

(c) If the district obtains approval of the city's governing body for a capital improvements plan for a period not to exceed 10 years, the district may finance the capital improvements and issue bonds specified in the plan without further city approval.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.106. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.107. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.109. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

(b) In addition to the authority to annex provided by Subsection (a), the board by resolution may annex territory if:

(1) the city's governing body by ordinance or resolution consents to the annexation;

(2) the board holds a hearing to consider the annexation; and

(3) the board determines that the annexation is practicable and in the best interest of the district.

(c) An election is required for an annexation under Subsection (b) or Section 49.302, Water Code, only if before the annexation the district held an election at which the voters approved the imposition of an ad valorem tax or the issuance of bonds payable wholly or partly from ad valorem taxes.

(d) 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

#### SUBCHAPTER D. PUBLIC TRANSIT SYSTEM AND PARKING FACILITIES

Sec. 3890.151. 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 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.152. 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 or a system of parking facilities, including:

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



streets; and

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

(b) A parking facility of the district may be leased to or operated on behalf of the district by an entity other than the district.

(c) The district's parking facilities are a program authorized by the legislature under Section 52-a, Article III, Texas Constitution.

(d) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.153. RULES. The district may adopt rules governing the district's public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.154. FINANCING OF PUBLIC PARKING FACILITIES. (a) The district may use any of its resources, including revenue, assessments, taxes, or grant or contract proceeds, to pay the cost of acquiring or operating the district's public transit system or public parking facilities.

(b) The district may:

(1) set, charge, impose, and collect fees, charges, or tolls for the use of the district's public transit system or public parking facilities; and

(2) issue bonds or notes to finance the cost of the district's public transit system or public parking facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

## SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 3890.201. 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 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.202. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.203. 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 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.204. 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 mailing notice.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.205. 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.

(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 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.206. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.207. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3890.210, the district may impose an annual 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.

(c) Section 49.107(h), Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.208. 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 by competitive bid or negotiated sale 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.

(c) The limitation on the outstanding principal amount of bonds, notes, and other obligations set forth in Section 49.4645, Water Code, does not apply to the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.209. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.210. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue other than ad valorem taxes.

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

(d) All or any part of any facilities or improvements which may be acquired by a district by the issuance of its bonds may be included in one single proposition to be voted on at the election or the bonds may be submitted in several propositions.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.211. CITY NOT REQUIRED TO PAY DISTRICT OBLIGATIONS. Except as provided by Section 375.263, Local Government Code, the city may not be required to pay a bond, note, or other obligation of the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.212. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.213. TAX AND ASSESSMENT ABATEMENTS. The district may grant in the manner provided 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

SUBCHAPTER F. TAXES FOR CERTAIN DEFINED AREAS AND DESIGNATED PROPERTY

Sec. 3890.251. 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. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.252. PROCEDURE FOR ELECTION. (a) Before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes of the area defined or property designated under Section 3890.251, the board must call and hold an election as provided by Section 3890.210 only in the defined area or in the boundaries of the designated property.

(b) The board may submit the proposition to the voters on the same ballot to be used in another election. Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. 2507), Sec. 1, eff. June 19, 2009.

Sec. 3890.253. DECLARING RESULT 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) A court may not review the board's order except on the ground of fraud, palpable error, or arbitrary and confiscatory

abuse of discretion.

Added by Acts 2009, 81st Leg., R.S., Ch. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.

Sec. 3890.254. TAXES FOR SERVICES, IMPROVEMENTS, AND FACILITIES IN DEFINED AREAS OR DESIGNATED PROPERTY. On voter approval and adoption of the order described in Section [3890.253](#), 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. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.

Sec. 3890.255. ISSUANCE OF BONDS AND IMPOSITION OF TAXES FOR DEFINED AREA OR DESIGNATED PROPERTY. After the order under Section [3890.253](#) 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. 870 (S.B. [2507](#)), Sec. 1, eff. June 19, 2009.