

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 4. DEVELOPMENT AND IMPROVEMENT
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT
CHAPTER 3891. HARRIS-MONTGOMERY COUNTIES MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [5698](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3891.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Harris-Montgomery Counties Management District.
- (4) "Recreational facilities" has the meaning assigned by Section [49.462](#), Water Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1011 (H.B. [4731](#)), Sec. 2, eff. June 14, 2019.

The following section was amended by the 89th Legislature. Pending publication of the current statutes, see H.B. [5698](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3891.002. NATURE OF DISTRICT. The Harris-Montgomery Counties Management District is a special district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 1011 (H.B. [4731](#)), Sec. 3, eff. June 14, 2019.

Sec. 3891.003. 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 Harris County from providing the level of services provided, as of the effective date of the Act enacting this chapter, to the area in the district. The district is created to supplement and not to supplant the county services provided in the area in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

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

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

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(d) The district will:

(1) promote the health, safety, and general welfare of residents, employers, employees, potential 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. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for 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. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.006. 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. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.007. 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. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.008. INAPPLICABILITY OF OPTION TO SELECT EXTRATERRITORIAL JURISDICTION. Section 54.0163, Water Code, does not apply to the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1011 (H.B. 4731), Sec. 4, eff. June 14, 2019.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3891.051. GOVERNING BODY; TERMS. The district is governed by a board of five directors who serve staggered terms of four years, with two or three directors' terms expiring June 1 of each odd-numbered year.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

The following section was amended by the 89th Legislature. Pending

publication of the current statutes, see H.B. [5698](#), 89th Legislature, Regular Session, for amendments affecting the following section.

Sec. 3891.052. APPOINTMENT OF DIRECTORS. (a) The board shall recommend to the Harris County Commissioners Court persons to serve on the succeeding board.

(b) After reviewing the board's recommendations of persons to serve on the succeeding board, the commissioners court shall appoint as directors or disapprove the recommended persons.

(c) If the governing body of the City of Houston objects to any of the board's recommendations of persons to serve on the succeeding board, the board, on the request of the commissioners court, shall submit additional recommendations.

(d) Board members may serve successive terms.

(e) If any provision of Subsections (a) through (d) is found to be invalid, the Texas Commission on Environmental Quality shall appoint the succeeding board from recommendations of persons to serve on the succeeding board submitted by the board.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.053. ELIGIBILITY. To be eligible to serve as a director, a person must meet the qualifications in Section [375.063](#), Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3891.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.102. MUNICIPAL MANAGEMENT POWERS AND DUTIES. The district has the powers and duties provided by the general laws of

this state, including Chapter 375, Local Government Code, applicable to a municipal management district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.103. DEVELOPMENT CORPORATION POWERS. The district may exercise the powers given to a development corporation under Chapter 505, Local Government Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.104. SPORTS VENUE. The district may construct, acquire, improve, maintain, and operate a sports venue, including an arena, coliseum, stadium, or other type of area or facility used for one or more professional or amateur sports or athletic events.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.105. AGREEMENTS; GRANTS. The district may make an agreement with or accept a gift, grant, or loan from any person.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.106. 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. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.107. 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.

(b) The district has all of the economic development

authority that:

(1) Chapter 380, Local Government Code, grants to a municipality with a population of more than 100,000; and

(2) Chapter 1509, Government Code, grants to a municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.1071. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2019, 86th Leg., R.S., Ch. 1011 (H.B. 4731), Sec. 5, eff. June 14, 2019.

Sec. 3891.108. NO EMINENT DOMAIN. The district may not exercise the power of eminent domain.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3891.151. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held in accordance with Section 3891.158, 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.152. 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. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.153. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use 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. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.154. HOTEL OCCUPANCY TAX. (a) The district may impose a hotel occupancy tax in the manner that Chapter [351](#), Tax Code, provides for a municipality.

(b) A tax imposed under this section may not exceed the maximum rate under Section [351.003](#)(a), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.155. SALES AND USE TAX. (a) The district may impose a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose. Revenue from the tax may be used for any district purpose for which ad valorem tax revenue is used.

(b) The district may not impose a sales and use tax if as a result of the imposition of the tax the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district.

(c) If the voters of the district approve the adoption of

the tax at an election held on the same election date on which another political subdivision adopts a sales and use tax or approves an increase in the rate of its sales and use tax and as a result the combined rate of all sales and use taxes imposed by the district and other political subdivisions of this state having territory in the district would exceed the amount allowable by law at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Except as otherwise provided by this chapter, Chapter [321](#), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.156. 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 an 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. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.157. BONDS FOR ROAD PROJECTS. At the time of issuance the total principal amount of bonds or other obligations incurred to finance a road project may not exceed one-fourth of the assessed value of real property in the district.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. [4829](#)), Sec. 1, eff. June 19, 2009.

Sec. 3891.1571. BONDS FOR RECREATIONAL FACILITIES. The limitation on the outstanding principal amount of bonds, notes, and other obligations provided by Section [49.4645](#), Water Code, does not apply to the district.

Added by Acts 2019, 86th Leg., R.S., Ch. 1011 (H.B. [4731](#)), Sec. 6, eff. June 14, 2019.

Sec. 3891.158. ELECTIONS REGARDING TAXES AND BONDS. (a) The district may issue, without an election, bonds, notes, and other obligations secured by revenue or contract payments from any source other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water 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.

Added by Acts 2009, 81st Leg., R.S., Ch. 1102 (H.B. 4829), Sec. 1, eff. June 19, 2009.

Sec. 3891.159. POWERS OF MUNICIPAL UTILITY DISTRICT TO ESTABLISH DEFINED AREAS AND DESIGNATED PROPERTY; TAXES; BONDS.

(a) The district has the powers of a municipal utility district under Subchapter J, Chapter 54, Water Code, including the power to:

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

(b) The district may exercise the powers described by Subsection (a) regardless of whether the district is composed of the minimum number of acres provided by Section 54.801, Water Code.

Added by Acts 2017, 85th Leg., R.S., Ch. 608 (H.B. 3173), Sec. 1, eff. June 12, 2017.