

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT  
CHAPTER 3897. TIMBER SPRINGS MUNICIPAL MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3897.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a board member.
- (3) "District" means the Timber Springs Municipal Management District.
- (4) "Improvement project" means a project authorized by Subchapter C-1.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.003. PURPOSE; LEGISLATIVE FINDINGS. (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 a municipality in which the district is located 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 a municipality or county in which the district is located 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 municipal and county services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.004. 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 further the public purposes of:

- (1) developing and diversifying the economy of the state;
- (2) eliminating unemployment and underemployment;
- (3) providing quality residential housing; and
- (4) developing or expanding 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 residential community and business center; and

(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.

(e) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, vehicle parking, and street art objects are parts of and necessary components of a street and are considered to be an improvement project that includes 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 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.005. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2 of the Act enacting this chapter, as that territory may have been modified under Section [3897.115](#) or other law.

(b) A mistake in the field notes of the district contained in Section 2 of the Act enacting this chapter or in copying the field notes in the legislative process does not in any way affect:

(1) the district's organization, existence, or validity;

(2) the district's right to contract, including the right to issue any type of bond or other obligation for a purpose for which the district is created;

(3) the district's right to impose or collect an assessment, tax, or any other revenue; or

(4) the legality or operation of the board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

(a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created by a municipality in which the district is located under Chapter [311](#), Tax Code;

(2) a tax abatement reinvestment zone created by a municipality in which the district is located under Chapter [312](#),

Tax Code;

(3) an enterprise zone created by a municipality in which the district is located under Chapter 2303, Government Code; or

(4) an industrial zone created by a municipality in which the district is located under Chapter 42, Local Government Code.

(b) If a municipality in which the district is located creates a tax increment reinvestment zone described by Subsection (a), the municipality and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code, including the right to pledge the money as security for any bonds issued by the district for an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3897.051. 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 May 31 of each even-numbered year.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.052. ELECTION DATE. The board shall hold an election for directors on the uniform election date in May in even-numbered years.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.053. ELIGIBILITY. (a) To be qualified to serve as a director, a person must be:

(1) an owner of real property in the district; or

(2) an employee of a person described by Subdivision (1).

(b) Section 49.052, Water Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.054. VACANCY. (a) The remaining directors shall fill a vacancy on the board by appointing a person who meets the qualifications prescribed by Section 3897.053.

(b) If there are fewer than three directors, the governing body of the largest municipality in which the district is located shall appoint the necessary number of directors to fill all board vacancies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.055. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.056. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.057. COMPENSATION OF DIRECTORS; REIMBURSEMENT OF EXPENSES. (a) The district may compensate each director in an amount not to exceed \$50 for each board meeting. The total amount of compensation a director may receive each year may not exceed \$2,000.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3897.101. 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 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.102. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter, including a project described by Subchapter C-1, or under Chapter [375](#), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.103. DEVELOPMENT CORPORATION POWERS. The district, using money available to 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 under that chapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.104. 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 to be a local government corporation created under Subchapter D, 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 Subchapter D, Chapter 431, Transportation Code, except that a board member is not required to reside in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.105. AGREEMENTS; GRANTS. (a) As provided by Chapter 375, Local Government Code, 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 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.106. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including a county or a city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.107. 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 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.108. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) 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.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.109. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.110. ROAD DISTRICT POWERS; EXCEPTION.

(a) Except as provided by Subsection (b) and Section 3897.117, the district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

(b) The district may exercise any power granted by this chapter and by Chapter 441, Transportation Code, without regard to any provision or requirement of, or procedure or maintenance tax rate limitation prescribed by, Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.



Sec. 3897.111. CONFLICT WITH MUNICIPAL RULE, ORDER, OR ORDINANCE. To the extent a district rule conflicts with a rule, order, or ordinance of a municipality in which the district is located, the municipal rule, order, or ordinance controls. Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.112. NAME CHANGE. The board by resolution may change the district's name. The board shall give written notice of the change to each municipality in which the district is located. Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.113. TERMS OF EMPLOYMENT; COMPENSATION. The board may employ and establish the terms of employment and compensation of an executive director or general manager and any other district employees the board considers necessary. Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.114. USE OF ROADWAY, PARK, OR OTHER PUBLIC AREA OR FACILITY OF DISTRICT. (a) The board by rule may regulate the private use of a public roadway, open space, park, sidewalk, or similar public area or facility in the district. A rule 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 similar nongovernmental activity in or on a public roadway, open space, park, sidewalk, or similar public area or facility owned by the district. The board may charge a fee for the permit application or for public safety or security services for those facilities 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

facility owned by the district on terms and on payment of a permit or franchise fee the board may impose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.115. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district, subject to Section 54.016, Water Code, or remove territory from the district, except that:

(1) the addition or removal of the territory must be approved by:

(A) the governing body of the municipality in which the territory is located, as applicable; and

(B) the owners of the territory being added or removed;

(2) a reference to a tax in Subchapter J, Chapter 49, or Section 54.016, Water Code, means an ad valorem tax; and

(3) territory may not be removed from the district if bonds or other obligations of the district payable wholly or partly from ad valorem taxes or assessments levied or assessed on the territory are outstanding.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.116. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.117. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3897.151. MUNICIPAL REQUIREMENTS. (a) An

improvement project in a municipality must comply with any applicable municipal requirements, including codes and ordinances.

(b) The district may not provide, conduct, or authorize any improvement project on the municipality's streets, highways, rights-of-way, or easements without the consent of the governing body of that municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project to be necessary to accomplish a public purpose of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.154. LAKE. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake includes work done for drainage, reclamation, or recreation.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.155. WATER. (a) An improvement project may include a supply and distribution facility or system to provide potable and nonpotable water to the residents and businesses of the district, including a wastewater collection facility.

(b) The district may plan, design, construct, improve, maintain, or operate a water or sewer facility under this section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.156. ROADS. An improvement project may include a

paved, macadamized, or graveled road or street inside and outside the district, to the full extent authorized by Section 52, Article III, Texas Constitution.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.157. STORM WATER. An improvement project may include protection and improvement of the quality of storm water that flows through the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.158. PARKING OR HELIPORT. An improvement project may include the planning, design, construction, improvement, maintenance, and operation of an off-street parking facility or heliport.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.159. EDUCATION AND CULTURE. An improvement project may include the planning and acquisition of:

(1) public art and sculpture and related exhibits and facilities; or

(2) an educational facility and a cultural exhibit or facility.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.160. CONVENTION CENTER. An improvement project may include the planning, design, construction, acquisition, lease, rental, improvement, maintenance, installation, and management of and provision of furnishings for a facility for:

(1) a conference, convention, or exhibition;

(2) a manufacturer, consumer, or trade show;

(3) a civic, community, or institutional event; or

(4) an exhibit, display, attraction, special event, or seasonal or cultural celebration or holiday.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.161. DEMOLITION. An improvement project may include the removal, razing, demolition, or clearing of land or improvements in connection with an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.162. MITIGATION OF ENVIRONMENTAL EFFECTS. An improvement project may include the acquisition and improvement of land or other property for the mitigation of the environmental effects of an improvement project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.163. ACQUISITION OF PROPERTY. If the governing body of the municipality where the improvement project is located consents, an improvement project may include the acquisition of property or an interest in property in connection with an improvement project, including a project authorized by Subchapter [A](#), Chapter [372](#), Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.164. SPECIAL OR SUPPLEMENTAL SERVICES. An improvement project may include a special or supplemental service for the improvement and promotion of the district or an area adjacent to the district or for the protection of public health and safety in or adjacent to the district, including:

- (1) advertising;
- (2) promotion;
- (3) tourism;
- (4) health and sanitation;
- (5) public safety;
- (6) security;
- (7) fire protection or emergency medical services;

- (8) business recruitment;
- (9) development;
- (10) the elimination of traffic congestion; and
- (11) recreational, educational, or cultural improvements, enhancements, and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.165. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement project may include the planning, design, construction, improvement, and maintenance of:

- (1) landscaping;
- (2) highway right-of-way or transit corridor beautification and improvement;
- (3) lighting, banners, and signs;
- (4) a street or sidewalk;
- (5) a hiking and cycling path or trail;
- (6) a pedestrian walkway, skywalk, crosswalk, or tunnel;
- (7) a park, lake, garden, recreational facility, community activities center, dock, wharf, sports facility, open space, scenic area, or related exhibit or preserve;
- (8) a fountain, plaza, or pedestrian mall; or
- (9) a drainage or storm water detention improvement.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.166. SIMILAR IMPROVEMENT PROJECTS. An improvement project may include a public improvement, facility, or service similar to a project described by this subchapter.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

## SUBCHAPTER C-2. CONTRACTS

Sec. 3897.201. GENERAL CONTRACT POWERS. The district may contract with any person, including a municipality or county in

which the district is located, to accomplish any district purpose. Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.202. CONTRACT TERMS. (a) In this section, "note" includes a bond anticipation note.

(b) A contract the district enters into to carry out a purpose of this chapter may be on any terms and for any period the board determines, including an obligation to issue a negotiable or nonnegotiable note or warrant payable to a municipality, a county, or any other person for the payment or reimbursement of any district costs.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.203. REIMBURSEMENT OF COSTS. The district may contract with any person for the payment, repayment, or reimbursement of costs incurred by that person on behalf of the district, including all or part of the costs of an improvement project and interest on the reimbursed cost.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.204. CONTRACT FOR IMPROVEMENT PROJECT. (a) The district may contract with any person for the use, occupancy, lease, rental, operation, maintenance, or management of all or part of a proposed or existing improvement project.

(b) The district may apply for and contract with any person to receive, administer, and perform a duty or obligation of the district under a federal, state, local, or private gift, grant, loan, conveyance, transfer, bequest, 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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

## SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3897.251. PROJECT DEVELOPMENT AGREEMENT REQUIRED TO IMPOSE TAXES OR BORROW MONEY, INCLUDING BONDS. Before the district may issue bonds, impose taxes, or borrow money, the district and each municipality in which the district is located must negotiate and execute a project development agreement regarding the development plans and rules for:

- (1) the development and operation of the district; and
- (2) the financing of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.252. 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 that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.253. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS.

(a) The district may borrow money on terms determined by the board. Section [375.205](#), Local Government Code, does not apply to a loan, line of credit, or other borrowing from a bank or financial institution secured by revenue other than ad valorem taxes.

(b) The district may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes,



assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.254. ASSESSMENTS. (a) The district may impose an assessment on property in the district to pay the cost or the cost of maintenance of any authorized district improvement in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter [375](#), Local Government Code; or

(2) a municipality or county under Subchapter [A](#), Chapter [372](#), Local Government Code.

(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; and

(2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes.

(c) The lien of an assessment against property runs with the land. The portion of an assessment payment obligation that has not yet come due is not eliminated by the foreclosure of an ad valorem tax lien, and any purchaser of property in a foreclosure of an ad valorem tax lien takes the property subject to the assessment payment obligations that have not yet come due and to the lien and terms of the lien's payment under the applicable assessment ordinance or order.

(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 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1,

eff. June 17, 2011.

Sec. 3897.255. 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 the county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.256. IMPACT FEES; EXEMPTION. (a) The district may impose an impact fee on property in the district, including an impact fee on residential or commercial property, only in the manner provided by Subchapter [A](#), Chapter [372](#), or Subchapter F, Chapter [375](#), Local Government Code, for a municipality or county.

(b) An impact fee for residential property must be for the limited purpose of providing capital funding for:

- (1) public water and wastewater facilities;
- (2) drainage and storm water facilities; and
- (3) streets and alleys.

(c) The district may not impose an impact fee on the property, including equipment and facilities, of a public utility provider in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.257. STORM WATER USER CHARGES. The district may establish user charges related to the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.258. NONPOTABLE WATER USER CHARGES. The district may establish user charges for the use of nonpotable water for irrigation purposes, subject to approval of the governing body of the municipality in which the user is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.259. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including a municipality or county in which the district is located, all or part of the cost of an improvement project, including an improvement project:

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

(2) that confers a general benefit on the entire district or a special benefit on a definable part of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.260. RESIDENTIAL PROPERTY NOT EXEMPT. Section [375.161](#), Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER E. TAXES AND BONDS

Sec. 3897.301. PROPERTY TAX AUTHORIZED. The district may impose an ad valorem tax on all taxable property in the district, including industrial, commercial, and residential property, to:

(1) pay for an improvement project of the types authorized by Section [52](#), Article III, and Section [59](#), Article XVI, Texas Constitution; or

(2) secure the payment of bonds issued for a purpose described by Subdivision (1).

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.302. TAXES FOR BONDS AND OTHER OBLIGATIONS; ELECTION. (a) If the district issues bond anticipation notes payable from future bond proceeds that are payable wholly or partly from an ad valorem tax, the bonds must have been previously approved at an election and meet the requirements of this section.

(b) At the time bonds or other obligations payable wholly or partly from ad valorem taxes are issued:

(1) the board shall impose a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding; and

(2) the district annually shall impose an ad valorem tax on all taxable property in the district in an amount sufficient to:

(A) pay the interest on the bonds or other obligations as the interest becomes due;

(B) create a sinking fund for the payment of the principal of the bonds or other obligations when due or the redemption price at any earlier required redemption date; and

(C) pay the expenses of imposing the taxes.

(c) Bonds or other obligations that are secured by and payable from ad valorem taxes may not be issued unless the bonds and the imposition of the taxes are approved by a majority of the district voters voting at an election held for that purpose.

(d) The district shall hold an election required by this section in the manner provided by Chapter 54, Water Code, and the Election Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.303. MAINTENANCE AND OPERATION TAX; ELECTION.

(a) The district may impose a tax for maintenance and operation purposes, including for:

(1) planning, constructing, acquiring, maintaining, repairing, and operating all improvement projects, including land, plants, works, facilities, improvements, appliances, and equipment of the district; and

(2) paying costs of services, engineering and legal fees, and organization and administrative expenses.

(b) The district may not impose a maintenance and operation tax unless the tax is approved by a majority of the district voters voting at an election held for that purpose. The proposition in a maintenance and operation tax election may be for a specific maximum rate or for an unlimited rate. If a maximum tax rate is approved, the board may impose the tax at any rate that does not exceed the approved rate.

(c) A maintenance and operation tax election may be held at the same time and in conjunction with any other district election. The election may be called by a separate election order or as part of any other election order.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.304. USE OF SURPLUS MAINTENANCE AND OPERATION MONEY. If the district has maintenance and operation tax money that is not needed for the purposes for which it was collected, the money may be used for any authorized purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.305. TAX ABATEMENT. The district may enter into a tax abatement agreement in accordance with the general laws of this state authorizing and applicable to a tax abatement agreement by a municipality.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.306. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) The district by competitive bid or negotiated sale may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, future bond proceeds, or assessments in the manner provided by Subchapter [A](#), Chapter [372](#), or Subchapter J, Chapter [375](#), Local Government Code.

(b) In exercising the district's borrowing power, the

district may issue a bond or other obligation in the form of a bond, note, including a bond anticipation note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or any other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable, wholly or partly, by a pledge of any part of the money the district receives from system or improvement revenue or from any other source, including future bond proceeds.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.307. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER F. DISSOLUTION

Sec. 3897.351. DISSOLUTION BY MUNICIPAL ORDINANCE. The largest municipality in which the district is located may dissolve the district by ordinance.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. 1184), Sec. 1, eff. June 17, 2011.

Sec. 3897.352. LIMITATION ON DISSOLUTION. The municipality may not dissolve the district until:

(1) the district's outstanding bonds have been repaid or defeased;

(2) the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged; and

(3) each agreement under Section 3897.251 has been executed and the district's performance under the agreement has been fulfilled, including any right or obligation the district has

to reimburse a developer or owner for the costs of improvement projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.353. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has obligations, other than bonds, outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the municipality in which the project that generated the revenue is located shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The municipality shall have and exercise all district powers to enforce and collect the assessments or other revenue to pay:

(1) the obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the municipality to refund the outstanding obligations.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.

Sec. 3897.354. ASSUMPTION OF ASSETS AND LIABILITIES.

(a) After the municipality dissolves the district, the municipality assumes the obligations of the district, including any debt payable from assessments or other district revenue.

(b) If the municipality dissolves the district, the board shall transfer ownership of all district property to the municipality in which the property is located, or if the property is not located in a municipality, to the county in which the property is located.

Added by Acts 2011, 82nd Leg., R.S., Ch. 656 (S.B. [1184](#)), Sec. 1, eff. June 17, 2011.