

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3906. PORT ISABEL IMPROVEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3906.001. DEFINITIONS. In this chapter:

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.002. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.003. 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 the city 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) The district is created to supplement and not to supplant city services provided in the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.004. 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

(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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.005. 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 3906.113 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.006. 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 by the city under Chapter 311, Tax Code;

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3906.051. 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 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.052. APPOINTMENT OF DIRECTORS. The governing body of the city shall appoint directors. Four directors must be appointed from persons recommended by the board as provided by Section 375.064, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.053. QUALIFICATIONS. (a) The four directors recommended by the board must meet the qualifications described by Section 54.102, Water Code, and by Section 375.064, Local Government Code.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.054. AFFIDAVIT AND ABSTENTION FROM VOTING REQUIRED. A director shall comply with Section 171.004, Local Government Code, including the disclosure and abstention requirements of that section.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.055. REMOVAL OF DIRECTORS. Section 375.065, Local Government Code, governs the removal of directors.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.056. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.057. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary. The offices of chair and secretary may not be held by the same person.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.058. COMPENSATION; 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.059. LIABILITY INSURANCE FOR DIRECTORS. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures a director against personal liability and from all claims relating to:

(1) actions taken by the director in the director's capacity as a member of the board;

(2) actions and activities taken by the district; or

(3) the actions of others acting on behalf of the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3906.101. IMPROVEMENT PROJECTS. The district may

provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.102. 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, 51, and 54, Water Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.103. ROAD DISTRICT POWERS; EXCEPTION.  
(a) Except as provided by Subsection (b), 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 prescribed by, Chapter 441, Transportation Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.104. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Subchapter A, Chapter 372, Local Government Code, to a municipality or county.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.105. MUNICIPAL MANAGEMENT DISTRICT POWERS. The district has the powers provided by Chapter 375, Local Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.106. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.107. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.108. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.109. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county or the city, to provide law enforcement services in the district for a fee.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.110. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.111. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.112. PARKING FACILITIES. (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 lots, garages, parking terminals, or other



structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) 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.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.113. ANNEXATION OR EXCLUSION OF LAND. (a) The district may annex land as provided by Subchapter J, Chapter 49, Water Code.

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.114. LIMITED EMINENT DOMAIN POWER TO ACQUIRE SEAWALL. (a) The district may acquire by condemnation any land, easements, or other property inside the district boundaries only as necessary for the construction of a seawall. The district may elect to condemn either the fee simple title or a lesser property interest.

(b) The district may not acquire by condemnation:

(1) any land, easements, or other property inside the district boundaries for a purpose other than constructing a seawall;

(2) any land, easements, or other property outside the district; or

(3) water or water rights.

(c) The district shall exercise the right of eminent domain

in the manner provided by Chapter 21, Property Code. The district is not required to:

(1) give bond for appeal or bond for costs in a condemnation suit or other suit to which it is a party; or

(2) deposit more than the amount of an award in a suit.

(d) Section 375.094, Local Government Code, does not apply to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER C-1. IMPROVEMENT PROJECTS

Sec. 3906.151. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.152. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located:

(1) in the district; or

(2) in an area outside but adjacent to the district if the project is for the purpose of extending a public infrastructure improvement beyond the district's boundaries to a logical terminus.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.153. MUNICIPAL REQUIREMENTS. An improvement project in a municipality must comply with any applicable municipal requirements, including codes and ordinances.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.154. LAKE OR OTHER BODY OF WATER. For the purposes of this subchapter, planning, design, construction, improvement, or maintenance of a lake or other body of water

includes dredging, cleaning, widening, deepening, or other drainage, reclamation, or recreation work done to make the lake or other body of water navigable, clean, or safe for recreational use. Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.155. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.156. ROADS. An improvement project may include a paved, macadamized, or graveled road or street to the full extent authorized by Section 52, Article III, Texas Constitution. Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.157. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.158. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.159. 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. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.160. 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. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.161. MITIGATION OF ENVIRONMENTAL EFFECTS; DEVELOPMENT AGREEMENT; TRANSIT PROJECT. 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 if the acquisition:

- (1) complies with a development agreement between the district and another person and the agreement conditions reimbursement of costs associated with the acquisition on the completion of substantial vertical development; or
- (2) relates to a transit project.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.162. ACQUISITION OF PROPERTY. 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. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.163. 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) a service listed in Section [375.112](#)(a)(4), Local Government Code;

(2) tourism;

(3) fire protection or emergency medical services; or

(4) educational improvements, enhancements, and services.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.164. MISCELLANEOUS DESIGN, CONSTRUCTION, AND MAINTENANCE. An improvement project may include the planning, design, construction, improvement, and maintenance of:

(1) a project or service listed in Section [375.112](#)(a)(1), Local Government Code;

(2) highway right-of-way or transit corridor beautification and improvement;

(3) a hiking and cycling path or trail;

(4) a pedestrian walkway;

(5) a garden, community activities center, dock, wharf, sports facility, open space, or related exhibit or preserve; or

(6) a bulkhead or other improvement designed to prevent erosion.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.165. 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. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

## SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 3906.201. BORROWING MONEY. The district may borrow money for a district purpose by issuing or executing bonds, negotiable or nonnegotiable notes, credit agreements, or other obligations of any kind found by the board to be necessary or appropriate for a district purpose. The bond, note, credit agreement, or other obligation must be secured by and payable from any combination of ad valorem taxes, assessments, or any other district revenue or sources of money.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.202. GENERAL POWERS REGARDING PAYMENT OF DISTRICT BONDS, OBLIGATIONS, OR OTHER COSTS. The district may provide or secure the payment or repayment of any bond, note, or other temporary or permanent obligation or reimbursement or other contract with any person and the costs and expenses of the establishment, administration, and operation of the district and the district's costs or share of the costs or revenue of an improvement project or district contractual obligation or indebtedness by:

(1) the imposition of an ad valorem tax or an assessment, user fee, concession fee, or rental charge; or

(2) any other revenue or resources of the district, including tax increment revenue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.203. 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](#),

(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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.204. NOTICE OF ASSESSMENT. The board shall file notice of an assessment imposed with the county clerk of Cameron County and post the notice on the district's Internet website.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.205. 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. 1269 (S.B. 1922), Sec. 1,

eff. June 17, 2011.

Sec. 3906.206. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.207. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the city, 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; 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.208. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER E. TAXES AND BONDS

Sec. 3906.251. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.252. PROPERTY TAX AUTHORIZED. The district may impose an ad valorem tax on all taxable property in the district to:



(1) pay for an improvement project of the types authorized by Section 52(b), 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.253. 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.

(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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.254. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.255. BONDS AND OTHER OBLIGATIONS; MUNICIPAL APPROVAL. (a) The district may issue by public or private sale bonds, notes, or other obligations payable wholly or partly from ad

valorem taxes, tax increment financing, 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, 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 Chapter 311, Tax Code, 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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.256. ISSUANCE AND APPROVAL OF OBLIGATION POWERS. The district has the powers provided by Chapter 1371, Government Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.257. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.258. TAXES FOR BONDS AND OTHER OBLIGATIONS. 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 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; and

(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.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.259. AUTHORITY TO ESTABLISH DEFINED AREAS OR DESIGNATED PROPERTY. The district may define areas or designate certain property of the district in the manner provided by Subchapter J, Chapter 54, Water Code, regardless of the district's size, 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 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.260. NOTICE OF TAX. The district shall file notice of a tax imposed with the county clerk of Cameron County and post the notice on the district's Internet website.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER F. TAX INCREMENT REINVESTMENT ZONE

Sec. 3906.301. DISTRICT AS TAX INCREMENT REINVESTMENT ZONE. Without further authorization or procedural requirement, the district is a tax increment reinvestment zone under Chapter 311, Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.302. BOARD; POWERS. (a) The district's board is the board of directors of the tax increment reinvestment zone.

(b) The district's board has the powers of the board of directors of a tax increment reinvestment zone granted under

Chapter 311, Tax Code, including:

(1) the powers granted to a municipality under Section 311.008, Tax Code, subject to the limitations in Section 311.010, Tax Code; and

(2) the power under Section 311.010(c), Tax Code, to restrict the use of property in the zone under Chapter 211, Local Government Code.

(c) Section 311.009, Tax Code, does not apply to the tax increment reinvestment zone board.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.303. BASE YEAR VALUE. The base year value of the district, for tax increment financing purposes, is the value as of January 1, 2011, of all taxable real property in the district as shown on the certified tax rolls of the central appraisal district. Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.304. INTERLOCAL AGREEMENTS ALLOWED. The district and an overlapping taxing unit may enter into an interlocal agreement for the payment of all or a portion of the tax increment of the unit to the district.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.305. USE OF MONEY. 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. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.306. CITY CONSENT; DURATION. The city may, in its consent to the creation of the district, determine the portion

of tax increment to be paid to the district and the initial duration of the tax increment reinvestment zone.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.307. RESTRICTIONS ON AREA NOT APPLICABLE. The area of the district that is a tax increment reinvestment zone is not subject to the limitations provided by Section 311.006(b), Tax Code.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

#### SUBCHAPTER G. DISSOLUTION

Sec. 3906.351. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a) The district may be dissolved as provided by Subchapter M, Chapter 375, Local Government Code, except that Section 375.264, Local Government Code, does not apply to the district.

(b) The board may dissolve the district regardless of whether the district has debt.

(c) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. 1922), Sec. 1, eff. June 17, 2011.

Sec. 3906.352. COLLECTION OF ASSESSMENTS AND OTHER REVENUE. (a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, other than ad valorem taxes, the city shall succeed to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

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

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

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

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.

Sec. 3906.353. ASSUMPTION OF ASSETS AND LIABILITIES. If the city dissolves the district:

(1) the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue; and

(2) the board shall transfer ownership of all district property to the city.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1269 (S.B. [1922](#)), Sec. 1, eff. June 17, 2011.