

SPECIAL DISTRICT LOCAL LAWS CODE

TITLE 4. DEVELOPMENT AND IMPROVEMENT

SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT

CHAPTER 3927. FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3927.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Houston.
- (3) "County" means Fort Bend County.
- (4) "Director" means a board member.
- (5) "District" means the Fort Bend County Municipal Management District No. 1.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.002. NATURE OF DISTRICT. The Fort Bend County Municipal Management District No. 1 is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.003. 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.

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

(c) This chapter and the creation of the district may not be interpreted to relieve the city or the 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 city or county services provided in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.004. 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 district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) 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; and

(3) developing or expanding transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; 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.

(f) 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.

(g) 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.005. 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 bonds for the purposes for which the district is created or to pay the principal of and interest on bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.006. 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 under Chapter 311, Tax Code;

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

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

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

(b) If the city creates a tax increment reinvestment zone

described by Subsection (a), the city 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.007. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3927.051. GOVERNING BODY; TERMS. The district is governed by a board of five elected directors who serve staggered terms of four years, with two or three directors' terms expiring each even-numbered year.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.052. ELECTION DATE. The board shall hold an election for directors on the uniform election date in May in even-numbered years.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.053. ELIGIBILITY. To be qualified to serve as a director, a person must meet the qualifications prescribed by Section 375.063, Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.055. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$150 for each board meeting. The total amount of compensation for each director in one year may not exceed \$7,200.

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

Added by Acts 2017, 85th Leg., R.S., Ch. 629 (H.B. [4292](#)), Sec. 1, eff. September 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3927.101. 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.102. MUNICIPAL MANAGEMENT DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapter [375](#), Local Government Code, applicable to municipal management districts created under Sections [52](#) and [52-a](#), Article III, and Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.103. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using any 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 or Chapter [375](#), Local Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.104. UTILITY AND RECREATIONAL FACILITIES AND SERVICES AND ROADS PROHIBITED WITHOUT AGREEMENT. The district may not provide water, wastewater, or recreational facilities or services or roads to any land within both the district and a municipal utility district unless the district and the municipal utility district enter into a written agreement specifying the facilities and services to be provided by the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.105. 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.106. 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 provided to municipalities by:

- (1) Chapter 380, Local Government Code; and
- (2) Subchapter A, Chapter 1509, Government Code.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.107. LIMITED EMINENT DOMAIN. The district may exercise the power of eminent domain only for the purposes, only to the extent, and subject to the limitations the general law provides for a municipal utility district under Chapter 49, Water Code. Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3927.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of district money. Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain any improvement or service authorized under this chapter or Chapter 375, Local Government Code, using any money available to the district. Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.153. 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.154. METHOD OF NOTICE OF HEARING. The district

may mail the notice required by Section [375.115\(c\)](#), Local Government Code, by certified or first class United States mail. The board shall determine the method of mailing notice. Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.155. ASSESSMENTS; LIENS FOR ASSESSMENTS.

(a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(b) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

(1) are a first and prior lien against the property assessed;

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

(3) are the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.156. RESIDENTIAL PROPERTY NOT EXEMPT. Section [375.161](#), Local Government Code, does not apply to the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1,

eff. June 14, 2013.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3927.201. ELECTIONS REGARDING TAXES AND BONDS.

(a) The district may issue, without an election, bonds, notes, and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 3927.203.

(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) 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.202. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election held in accordance with Section 3927.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code, for operation and maintenance purposes, 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. 1906), Sec. 1, eff. June 14, 2013.

Sec. 3927.203. 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.204. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS. (a) The district may borrow money on terms determined by the board.

(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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.205. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct annual ad valorem tax, without limit as to rate or amount, for each year that 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 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.206. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1374 (S.B. [1906](#)), Sec. 1, eff. June 14, 2013.

Sec. 3927.207. 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 called for that purpose. Revenue from the tax may be used for any purpose for which ad valorem tax revenue of the district may be used.

(b) The district may not adopt a sales and use tax if as a result of the adoption 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 two percent 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 two percent at any location in the district, the election to adopt a sales and use tax under this chapter has no effect.

(d) Chapter [321](#), Tax Code, applies to the imposition, computation, administration, enforcement, and collection of the sales and use tax imposed by this section except to the extent it is inconsistent with this chapter.

Added by Acts 2017, 85th Leg., R.S., Ch. 629 (H.B. [4292](#)), Sec. 2, eff. September 1, 2017.