

SPECIAL DISTRICT LOCAL LAWS CODE  
TITLE 4. DEVELOPMENT AND IMPROVEMENT  
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT  
CHAPTER 3933. VINEYARD MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3933.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
- (3) "County" means Williamson County, Texas.
- (4) "Director" means a board member.
- (5) "District" means the Vineyard Municipal Management District No. 1.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.002. CREATION AND NATURE OF DISTRICT. The Vineyard 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. On receipt of a petition signed by the owners of a majority of the acreage and the assessed value of real property in the district according to the most recent certified tax appraisal roll for the county, the initial directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section [49.102](#), Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.004. 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, 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 and for other similar purposes in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the county from providing the level of services provided to the area in the district as of the effective date of the Act enacting this chapter. The district is created to supplement and not to supplant the county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.005. 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:

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

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(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, residential, tourism, recreational, business, and commerce center; and

(3) promote the health, safety, welfare, education, convenience, and enjoyment of the public by:

(A) improving, landscaping, and developing certain areas in or adjacent to the district; and

(B) providing public services and facilities in or adjacent to the district that 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.006. 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 contract;

(3) authority to borrow money or issue bonds or other obligations or to pay the principal and interest of the bonds or other obligations;

(4) right to impose or collect an assessment, fee, or tax or collect other revenue; or

(5) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.007. 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; or

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

(b) If the county or a municipality in the county creates a tax increment reinvestment zone described by Subsection (a), the county or 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:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district.

(c) If the county or a municipality in the county creates a tax increment reinvestment zone described by Subsection (a), the county or municipality may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.008. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,

eff. September 1, 2015.

Sec. 3933.009. CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3933.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3933.052, directors serve staggered four-year terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.052. TEMPORARY DIRECTORS. (a) The temporary board consists of:

- (1) Cynthia Mitchell;
- (2) Lindsey Tootle;
- (3) Kathy Parker;
- (4) Spencer Bryson; and
- (5) Stephen Wohn.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3933.003; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3933.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 3933.003; or

(2) the fourth anniversary of the date of the

appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 3933.101. 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.102. 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.103. 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.104. ROAD DISTRICT POWERS. 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 Chapters [257](#) and [441](#), Transportation Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.105. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.106. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter [372](#), Local Government Code, to a municipality or county.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.107. COUNTY DEVELOPMENT DISTRICT POWERS. The district has the powers of a county development district provided by Chapter [383](#), Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.108. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.109. ECONOMIC DEVELOPMENT PROGRAMS. (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, make loans and grants for economic development purposes to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, safety, and the public welfare and for other similar purposes, 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.110. ADDING OR REMOVING TERRITORY. As provided by Subchapter J, Chapter 49, Water Code, the board may add territory to the district or remove territory from the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.112. NO EMINENT DOMAIN POWER. The district may



not exercise the power of eminent domain.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3933.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service, including tourism and visitor facilities, using any money available to the district, or contract with a governmental or private entity and reimburse that entity for the provision, design, construction, acquisition, improvement, relocation, operation, maintenance, or financing of an improvement project, service, or cost, for the provision of credit enhancement, or for any cost of operating or maintaining the district or the issuance of district obligations authorized under this chapter, Chapter 372, 375, or 383, Local Government Code, or Chapter 49 or 54, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project is necessary to accomplish a public purpose of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be located or provide service inside or outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.154. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREAS. The district may undertake an improvement project or service that confers a special benefit on one or more definable

areas in the district that share a common characteristic or use and levy and collect a special assessment on benefited property in the district in accordance with:

- (1) Chapter 372, Local Government Code; or
- (2) Chapter 375, Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3933.201. DIVISION OF DISTRICT; PREREQUISITE. The district, including territory added to the district under Section 3933.110, may be divided into two or more new districts only if the district has no outstanding bonded debt. Territory previously added under Section 3933.110 may be included in a new district. Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district. Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

(b) If the board decides to divide the district, the board shall:

- (1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;
- (2) prepare a metes and bounds description for each proposed district; and
- (3) appoint initial directors for each new district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.204. CONTRACT AUTHORITY OF NEW DISTRICTS. The new districts may contract with each other for any matter the boards of the new districts consider appropriate, including the joint construction or financing of a utility improvement, the joint financing of a maintenance obligation, and water and wastewater services.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3933.251. MONEY USED FOR IMPROVEMENTS, SERVICES, OR OTHER EXPENSES. (a) The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

(b) The district may provide or secure the payment or repayment of any cost or expense related to the establishment, administration, and operation of the district and the district's costs or share of the costs of a district contractual obligation or debt through:

(1) a lease, installment purchase contract, or other agreement with any person; or

(2) the imposition of taxes, user fees, concessions, rentals, or other revenue or resources of the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.252. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose, including the acquisition or construction of improvement projects authorized by this chapter and the reimbursement of a person who develops or owns an improvement project authorized by this chapter, without holding an election by issuing bonds, notes, time warrants, credit agreements, or other obligations, or by entering into a contract or

other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, sales and use taxes, hotel occupancy taxes, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.253. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district, regardless of whether the property is contiguous, to pay for an obligation described by Section 3933.252 or for an improvement project authorized under Section 3933.151 in the manner provided for:

(1) a district under Subchapter A, E, or F, Chapter 375, Local Government Code; or

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

(b) The district may:

(1) adopt procedures for the collection of assessments under this chapter that are consistent with the procedures for the collection of a hotel occupancy tax under Chapter 351, Tax Code; and

(2) pursue remedies for the failure to pay an assessment under this chapter that are available for failure to pay a hotel occupancy tax under Chapter 351, Tax Code.

(c) The district may not impose an assessment on a municipality, county, or other political subdivision.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.254. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1,

eff. September 1, 2015.

Sec. 3933.255. IMPACT FEES; EXEMPTION. (a) The district may impose an impact fee on property in the district, including an impact fee on residential property, according to the benefit received by the property.

(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 or a cable operator as defined by 47 U.S.C. Section 522.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.256. RATES, FEES, AND CHARGES. The district may establish, revise, repeal, enforce, and collect rates, fees, and charges for the enjoyment, sale, rental, or other use of:

- (1) an improvement project;
- (2) a product resulting from an improvement project;

or

- (3) another district facility, service, or property.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.257. PUBLIC SERVICE USER CHARGES. The district may establish user charges related to various public services, including:

- (1) the collection and treatment of wastewater;
- (2) the operation of storm water facilities, including the regulation of storm water for the protection of water quality in the district; or

(3) the provision of septic tank maintenance services inside and outside the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1,

eff. September 1, 2015.

Sec. 3933.258. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons 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 or adjacent to the district;

(2) for improving, enhancing, providing, or supporting tourism, recreation, housing, the arts, entertainment, or economic development; or

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

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER F. TAXES AND BONDS

Sec. 3933.301. ELECTIONS REGARDING TAXES OR BONDS.

(a) The district may issue, without an election, bonds and other obligations secured by assessments, contract payments, sales and use taxes, hotel occupancy taxes, or any other revenue from any source other than ad valorem taxes.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.302. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an

election held under Section 3933.301, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

(c) Notwithstanding Subsection (a), Section 49.107(f), Water Code, does not apply to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.303. 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.304. 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, 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.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.305. 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 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER G. SALES AND USE TAX

Sec. 3933.351. MEANINGS OF WORDS AND PHRASES. A word or phrase used in this subchapter that is defined by Chapters [151](#) and [321](#), Tax Code, has the meanings assigned by Chapters [151](#) and [321](#), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.352. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) The provisions of Subchapters C, D, E, and F, Chapter [323](#), Tax Code, relating to county sales and use taxes apply to the application, collection, and administration of a sales and use tax imposed under this subchapter to the extent consistent with this chapter, as if references in Chapter [323](#), Tax Code, to a county referred to the district and references to a commissioners court referred to the board.

(b) Sections 323.401-323.404 and [323.505](#), Tax Code, do not apply to a tax imposed under this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.353. AUTHORIZATION; ELECTION. (a) The district shall adopt, reduce, or repeal the sales and use tax authorized by this subchapter at an election in which a majority of the voters of the district voting in the election approve the adoption, reduction, or repeal of the tax, as applicable.



(b) The board by order shall call an election to adopt, reduce, or repeal a sales and use tax. The election shall be held on the first authorized uniform election date that occurs after the time required by Section 3.005, Election Code.

(c) The district shall provide notice of the election and shall hold the election in the manner prescribed by Chapter 54, Water Code, for bond elections for municipal utility districts.

(d) The ballots shall be printed to provide for voting for or against the following appropriate proposition:

(1) "Adoption of a \_\_\_\_ percent district sales and use tax in the district";

(2) "Reduction of the district sales and use tax in the district from \_\_\_\_ percent to \_\_\_\_ percent"; or

(3) "Repeal of the district sales and use tax in the district."

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.354. EFFECTIVE DATE OF TAX. A tax imposed under this subchapter or the repeal or reduction of a tax under this subchapter takes effect on the first day of the first calendar quarter that occurs after the date the comptroller receives the copy of the resolution as required by Section 323.405(b), Tax Code. Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.355. SALES AND USE TAX RATE. (a) On adoption of the tax authorized by this subchapter, there is imposed a tax of two percent, or the maximum rate at which the combined tax rate of all local sales and use taxes in any location in the district does not exceed two percent, on the receipts from the sale at retail of taxable items in the district, and an excise tax on the use, storage, or other consumption in the district of taxable items purchased, leased, or rented from a retailer in the district during the period that the tax is in effect.

(b) The rate of the excise tax is the same as the rate of the sales tax portion of the tax and is applied to the sales price of the

taxable item.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.356. EXAMINATION AND RECEIPT OF INFORMATION. The district may examine and receive information related to the imposition of a sales and use tax to the same extent as if the district were a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.357. ALTERNATIVE METHOD OF IMPOSITION. Notwithstanding any other provision of this subchapter, the district may impose the sales and use tax as provided by Subchapter F, Chapter 383, Local Government Code, instead of as provided by the other provisions of this subchapter.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER H. HOTEL OCCUPANCY TAX

Sec. 3933.401. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

Sec. 3933.402. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) In this subchapter:

(1) a reference in Chapter 352, Tax Code, to a county is a reference to the district; and

(2) a reference in Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.403. TAX AUTHORIZED; TAX RATE. (a) The district may impose a hotel occupancy tax for the purposes described by Section [3933.405](#).

(b) The amount of the tax may not exceed seven percent of the price paid for a room in a hotel.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.404. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. [4155](#)), Sec. 1, eff. September 1, 2015.

Sec. 3933.405. USE OF HOTEL OCCUPANCY TAX. (a) The district may use the proceeds from a hotel occupancy tax imposed under this subchapter for any of the district's purposes and for the purposes described by Section [352.1015](#), Tax Code, to the extent the board considers appropriate.

(b) During each interval of three calendar years following the date on which a hotel occupancy tax imposed under this subchapter is initially collected, the board may not apply an annual average of more than 10 percent of the amount of tax collected under that section, excluding any interest earnings or investment profits and after a deduction for the costs of imposing and collecting the taxes, for the administrative expenses of the district or a district purpose other than:

- (1) the costs of advertising and promoting tourism; or
- (2) the costs of business development and commerce, including the costs of planning, designing, constructing, acquiring, leasing, financing, owning, operating, maintaining, managing, improving, repairing, rehabilitating, or reconstructing improvement projects for:

- (A) conferences, conventions, meeting space, and

exhibitions;

- (B) manufacturer, consumer, or trade shows;
- (C) hotels, lodging, and hospitality;
- (D) arts and entertainment;
- (E) parks and recreation;
- (F) economic development; and
- (G) civic, community, or institutional events.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER I. DISSOLUTION OF DISTRICT

Sec. 3933.451. DISSOLUTION. (a) Except as provided by Subsection (b), the board:

- (1) may dissolve the district; and
- (2) shall dissolve the district on receipt of a written petition requesting dissolution signed by the owners of 75 percent of the acreage of real property in the district.

(b) The board may not dissolve the district until the district's outstanding indebtedness or contractual obligations have been repaid or discharged.

(c) After the board dissolves the district, the board shall transfer ownership of all district property and assets to the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 1239 (H.B. 4155), Sec. 1, eff. September 1, 2015.