

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 4. DEVELOPMENT AND IMPROVEMENT
SUBTITLE C. DEVELOPMENT, IMPROVEMENT, AND MANAGEMENT
CHAPTER 3938. GRAND LAKE ESTATES MANAGEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3938.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "County" means Montgomery County.
- (3) "Director" means a board member.
- (4) "District" means the Grand Lake Estates Management District.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.003. 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 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 county services provided in the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.004. 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) developing or expanding transportation and commerce; and

(4) providing quality residential housing.

(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, removing graffiti from, 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.005. DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.

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

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

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

(4) legality or operation.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter [375](#), Local Government Code, applies to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.007. 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. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3938.051. GOVERNING BODY; TERMS. The district is governed by a board of five voting 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.052. QUALIFICATIONS OF DIRECTORS APPOINTED BY COUNTY. To be qualified to serve as a director appointed by the governing body of the county, a person must be:

(1) a resident of the district who is also a registered voter of the district;

(2) an owner of property in the district;

(3) an owner of stock or a partnership or membership interest, whether beneficial or otherwise, of a corporate partnership, limited liability company, or other entity owner of a direct or indirect interest in property in the district;

(4) an owner of a beneficial interest in a trust, or a trustee in a trust, that directly or indirectly owns property in the district;

(5) an agent, employee, or tenant of a person described by Subdivision (2), (3), or (4); or

(6) an initial director.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.053. APPOINTMENT OF DIRECTORS. The governing body of the county shall appoint directors from persons recommended by the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.054. VACANCY. If a vacancy occurs on the board, the remaining directors shall appoint a director for the remainder of the unexpired term.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.055. DIRECTOR'S OATH OR AFFIRMATION. (a) 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.

(b) A director shall file a copy of the director's oath or affirmation with the clerk of the county.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.056. QUORUM. A vacant director position is not counted for purposes of establishing a quorum.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.057. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.058. 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 the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.059. LIABILITY INSURANCE. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.060. NO EXECUTIVE COMMITTEE. The board may not create an executive committee to exercise the powers of the board.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.061. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3938.101. 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. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.102. 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 or Chapter [375](#), Local Government Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.103. LOCATION OF IMPROVEMENT PROJECT. An improvement project described by Section [3938.102](#) 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.104. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.105. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.106. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.107. LAW ENFORCEMENT SERVICES. To protect the public interest, the district may contract with a qualified party, including the county, to provide law enforcement services in the district for a fee.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.108. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.109. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.110. REAL PROPERTY RESTRICTIONS. (a) The district may adopt restrictions on the use of real property in the district.

(b) The district may enforce restrictions on the use of real property in the district in the manner provided for a municipal utility district by Section 54.237, Water Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.111. DESIGNATION OF SPECIAL ZONES. (a) The district may designate all or any part of the area of the district, as if the district were a municipality, as:

(1) a tax increment reinvestment zone under Chapter 311, Tax Code;

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

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

(b) Section 311.006(b), Tax Code, does not apply to a tax increment reinvestment zone created by the district.

(c) The district may submit to the Texas Economic Development Bank a request for designation of a project or activity in the district as an enterprise project in the manner provided for a municipality to submit a request under Chapter 2303, Government Code.

(d) If the county creates a tax increment reinvestment zone under Chapter 311, Tax Code, the county, 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.112. CONCURRENCE ON ADDITIONAL POWERS. If the territory of the district is located in the corporate boundaries or the extraterritorial jurisdiction of a municipality, the district may not exercise a power granted to the district after the date the district was created unless the governing body of the municipality by resolution consents to the district's exercise of the power. Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.113. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain. Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3938.151. DISBURSEMENTS AND TRANSFERS OF MONEY. The board by resolution shall establish the number of signatures and the procedure required for a disbursement or transfer of the district's money. Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, finance, operate, or maintain an improvement project or service authorized under this chapter or Chapter [375](#), Local Government Code, using any money available to the district. Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.153. 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 sales and use tax or an assessment, user fee, concession fee, or rental charge; or

(2) any other revenue or resources of the district, including revenues from a tax increment reinvestment zone.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.154. 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) The petition 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.155. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.156. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.157. 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 county.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. 4154), Sec. 1, eff. June 19, 2015.

Sec. 3938.158. COSTS FOR IMPROVEMENT PROJECTS. The district may undertake separately or jointly with other persons, including the county, 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; 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.159. TAX AND ASSESSMENT ABATEMENTS. The district may designate reinvestment zones and may grant abatements of a tax or assessment on property in the zones.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3938.201. 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. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.202. PROPERTY TAX AUTHORIZED. (a) 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).

(b) The district may not impose an ad valorem tax to pay for an improvement project under this chapter unless the imposition is approved by the voters of the district voting at an election held for that purpose. The board may call an election to approve the imposition of an ad valorem tax to pay for an improvement project under this chapter only if the board receives a petition requesting the election signed by:

(1) more than 51 percent of the record owners of real property in the district subject to taxation; or

(2) owners representing more than 51 percent of the appraised value of real property in the district subject to

taxation, as determined by the tax rolls of the appraisal district. Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.203. 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.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.204. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, sales and use taxes, or assessments in the manner provided by Subchapter [J](#), Chapter [375](#), Local Government Code.

(b) If the territory of the district is not located in the corporate boundaries or extraterritorial jurisdiction of a municipality, the district is not required to comply with Section [375.207](#), Local Government Code, and may issue a bond or other obligation under Subchapter [J](#), Chapter [375](#), Local Government Code, with the written consent of directors, as provided by Section

[375.071](#), Local Government Code.

(c) 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 other type of obligation.

(d) In addition to the sources of money described by 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 improvement revenue or from any other source.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.205. BOND MATURITY. Bonds may mature not more than 40 years from their date of issue.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.206. 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 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

SUBCHAPTER F. DISSOLUTION

Sec. 3938.251. DISSOLUTION BY ORDINANCE. (a) A municipality that includes territory of the district, in the corporate boundaries or extraterritorial jurisdiction of the municipality, by ordinance may dissolve the district.

(b) The municipality may not dissolve the district until the district's outstanding debt or contractual obligations that are payable from ad valorem taxes have been repaid or discharged, or the municipality has affirmatively assumed the obligation to pay the outstanding debt from municipal revenue.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.252. 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 municipality that dissolves the district 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 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 municipality to refund the outstanding bonds or obligations.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.

Sec. 3938.253. ASSUMPTION OF ASSETS AND LIABILITIES.

(a) If a municipality dissolves the district, the municipality assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If a municipality dissolves the district, the board shall transfer ownership of all district property to the municipality.

Added by Acts 2015, 84th Leg., R.S., Ch. 982 (H.B. [4154](#)), Sec. 1, eff. June 19, 2015.