

SPECIAL DISTRICT LOCAL LAWS CODE
TITLE 6. WATER AND WASTEWATER
SUBTITLE F. MUNICIPAL UTILITY DISTRICTS
CHAPTER 8409. PORT O'CONNOR IMPROVEMENT DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8409.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "Director" means a member of the board.
- (3) "District" means the Port O'Connor Improvement District.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.002. NATURE OF DISTRICT. The district is a conservation and reclamation district in Calhoun County created under Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.003. 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 boundaries of the district will benefit from the works and projects accomplished by the district under the powers conferred by Section [59](#), Article XVI, Texas Constitution.

(c) The creation of the district is essential to accomplish the purposes of Section [59](#), Article XVI, Texas Constitution.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.004. DISTRICT TERRITORY. (a) The district is composed of the territory described by Section 2, Chapter 693, Acts of the 65th Legislature, Regular Session, 1977, as that territory may have been modified under:

- (1) Subchapter [H](#), Chapter [54](#), Water Code;

(2) Subchapter J, Chapter 49, Water Code; or

(3) other law.

(b) The boundaries and field notes of the district form a closure. A mistake in copying the field notes in the legislative process or another mistake in the field notes does not affect:

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

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

(3) the district's right to impose a tax; or

(4) the legality or operation of the district or its governing body.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8409.051. COMPOSITION OF BOARD; TERMS. (a) The board is composed of five elected directors.

(b) Directors serve staggered terms.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.052. BOARD VACANCY. (a) Except as provided by Subsection (b), a vacancy in the office of director shall be filled in the manner provided by Section 49.105, Water Code.

(b) The Texas Commission on Environmental Quality shall appoint directors to fill all of the vacancies on the board whenever the number of qualified directors is fewer than three.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8409.101. MUNICIPAL UTILITY DISTRICT POWERS. The district has the rights, powers, privileges, and functions

conferred and imposed by general law applicable to a municipal utility district created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.
Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

SUBCHAPTER D. SALES AND USE TAX

Sec. 8409.151. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter, except to the extent Chapter 321, Tax Code, is inconsistent with this subchapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.152. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The district shall provide notice and hold the election in the manner provided by Subchapter D, Chapter 49, Water Code.

(d) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Port O'Connor Improvement District at a rate not to exceed ____ percent" (insert rate of one or more increments of one-eighth of one percent).

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.153. SALES AND USE TAX RATE. (a) After the date the results are declared of an election held under Section 8409.152 at which the voters authorized imposition of a tax, the board shall provide by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the authorization of a tax under Section 8409.152, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized at the election held under Section 8409.152; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district.

(d) In determining whether the combined sales and use tax rate under Subsection (c)(2) would exceed the maximum combined rate prescribed by Section 321.101(f), Tax Code, at any location in the district, the board shall include:

(1) any sales and use tax imposed by a political subdivision whose territory overlaps all or part of the district;

(2) any sales and use tax to be imposed by Calhoun County as a result of an election held on the same date as the election held under Section 8409.152; and

(3) any increase to an existing sales and use tax imposed by Calhoun County as a result of an election held on the same date as the election held under Section 8409.152.

(e) The board shall notify the comptroller of any changes made to the tax rate in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. 1162), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.154. USE OF REVENUE. Revenue from the sales and

use tax imposed under Section [8409.153](#) is for the use and benefit of the district and may be used for any district purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.04, eff. April 1, 2017.

Sec. 8409.155. ABOLITION OR DECREASE OF TAX. (a) Except as provided by Subsection (b), the board may abolish or decrease the tax imposed under Section [8409.153](#) without an election.

(b) The board may not abolish or decrease the tax imposed under Section [8409.153](#) if the district has outstanding debt secured by the tax and repayment of the debt would be impaired by the abolition or decrease of the tax.

(c) If the board abolishes or decreases the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section [321.405](#)(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section [8409.152](#) before the district may subsequently impose the tax.

Added by Acts 2015, 84th Leg., R.S., Ch. 855 (S.B. [1162](#)), Sec. 1.04, eff. April 1, 2017.